IDS
Government Market

Market Plan
1988-1989

prepared by
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I. IDS Business Review

The 1987 year was another one for progress with upward growth in the IDS government vertical market. The majority of the orders processed were characteristically annual single production run type applications. A larger percentage of the order are repeating projects over previous years, and there are signs of a trend toward multiple run agreements. More inquiries are being submitted which include comprehensive services through Response Analysis, database manipulations, and special procurements via subcontractors.

The IDS government market is defined by the following SIC codes:

SIC Code Descriptions

9100	Executive, Legislative, and General Government
9200	Justice, Public Order and Safety
9300	Finance, Taxation, and Monetary Policy
9400	Administration of Human Resources
9500	Administration of Environmental Quality and Housing
9600	Administration of Economic Programs
9700	National Security and International Affairs
9900	Non- classifiable Government

The sales performance for 1987 is as follows:

1987 Government Volume by SIC Code

SIC Code	No. of Orders	Net Sales	Concession %
9100	267	4,004,688	12.3
9200	61	577,444	15.9
9300	39	563,327	21.2
9400	6	158,459	18.8
9500	28	138,858	4.5
9600	6	11,742	10.1
9700	31	505,552	13.9
9900	4	28,441	18.7
Total	442	5,988,511	13.6

This market shows lower profitability due to governmental purchasing procedures. The bidding process tends to negate value-added pricing strategies and promotes more generic solutions and services. Past sales history shows a number of applications that were awarded to Moore for initial production were subsequently lost by the bidding process on the repeat order.

Composite Averages Based on Total IDS Government Volume 1987

Average Dollars/Order (List)	15,681.33
Average Dollars/Order (Sell)	13,548.67
Average Concession/Order	13.6%

Dedicated vs Non- Dedicated IDS Government Volume and Orders 1987

	Volume	% of Total IDS	% of VMS
Dedicated IDS	1,607,490	9.4%	26.8%
Non-Dedicated IDS	4,381,021	13.4%	73.2%
Total	5,988,511	11.6%	100.0%

Current IDS applications produced for the government market segment include the following:

State Applications
Unemployment Insurance - Quarterly Tax and Wage
Personal Property Tax - Income Tax Booklet
Voter Registration
Emission/Smog/Safety Cotrol
Motor Vehicle Registration and Renewal
Department and Weight and Measures
Health Services - Licenses
W - 2/W - 4
Benefit Statements
Delinquency Reminders
State Employer's Quarterly contribution and Wage Report

County Applications
Voter Registrations
Property Taxes
W -2/W - 4
Benefit Statements

Municipal/City Applications
City Income Taxes
Parking Ticket Notification
Delinquency Reminders
Benefit Statements
W - 2/W - 4
Business Licenses

II. Market Analysis

A. IDS Market Size

The governmental structure of the United States includes, in addition to the Federal Government and the States, thousands of local governments. Approximately 84,300 local governments were identified in a 1987 Census of Governments. Criteria for governmental identification include all agencies or bodies having an organized existence, governmental character, and substantial autonomy. Most of these governments can impose taxes. They may be financed by rentals, charges for services, benefit assessments, grants from other governments, toll charges, and other non-tax sources.

Number of governmental units - 82,341

Federal	1
State	50
County	3,041
Municipal	19,076
Town/Township/Village	16,734
School Districts	14,851
Special Districts	28,588

The IDS government market segment consists of federal, state, county, municipal, city, and special district government operations.
IDS market share is conservatively estimated at approximately 3% based on a market potential of $230MM.

Although the government marketplace has been broken down into six different areas for IDS, in reality it consists of thousands of diverse buying offices, which may or may not purchase IDS service. Getting a precise profile of the size and nature of this market niche is a complex exercise. The central difficulty is that there is no end item or service database collecting information on government purchases. Fiscal data is available by generic product or service classifications on contracts valued at $25,000 or more. The classifications are very general and at best offer a broad sense of the government marketplace.

B. Problems and Opportunities

Several external and internal problems impact the marketing strategies of the government market.

A. The need exists for a more unilateral lobbying effort in the government associations involving IDS Marketing and the Moore Research Group. The present strategy has been a sole research venture and based on the presentation of our "core" product lines. More effective utilization would include customer focus groups and joint technology groups.

B. The opportunities for IDS in the government marketplace can be defined in one of two categories, revenue or expenditures. Most IDS applications are predominately revenue gathering projects. The lack of government operational knowledge and a limited awareness of the departments and services have contributed to minimal performance in government expenditure operations.

C. A review of the government account representation to assure all major prospects are identified for targeting as IDS opportunities.

D. The Moore commitment to customer service could be addressed by the installation of toll-free watts lines to make sure backup support was available 24 hours a day to handle all incoming calls. One of the key goals is to respond to technical problems with the appropriate solution within a matter of hours. This customer-oriented activity tells IDS customers that we are working to make it easier to do business and receive assistance from Moore.

E. Internally, Moore must control production costs and continually pursue methods to increase efficiency and realize new economies to increase profitability.

C. Current Market Situation

The major determinant of financial solvency and growth advantages for local governments is land area size and incorporation. New develops in

fringe areas add value to tax revenues. The added services that are required by new development tend to lag behind. Cities with smaller land areas do not necessarily benefit from the growth in their areas. The trade-off from new industrial parks and suburbanization usually contribute to urban decay and the decreasing of city government opportunities.

Another area of governmental market opportunities involves city-county consolidatons. Growth is achieved through consolidating the city functions with the surrounding county. This results in more efficient government, but often the city loses control over some human services. Impetus comes from civic-minded concerns for more efficient government and political concern regarding control of services by government elected officials.

The third area of governmental growth is the use of annexations. Annexations are preferable to consolidations because control remains with city officials.

The top twelve annexing cities involving populations of 5000 or more per annexation over the last five years are:

1. Houston	77,000
2. San Antonio	55,400
3. Chattanooga	47,800
4. Charlotte	46,000
5. Baton Rouge	36,700
6. Memphis	33,400
7. Jackson	26,800
8. Colorado Springs	24,800
9. Shreveport	11,100
10. Kansas City	10,600
11. Fresno	8,500
12. Montgomery	6,700

IDS opportunities in the government marketplace can be categorized in one of two operations, revenue or expenditures. Current sales history show the majority of IDS applications are in the revenue gathering arena.

Overall property taxes are the most important single source of city revenues. Limitations on that tax such as propsition 13 and Massachusett's Proposition 2 1/2 have had an immediate , visible impact on communications involving services and education to taxpayers annd citizens. Local governments continue to rely on property taxes as their source of revenue. All of the 165 largest cities responding to a Joint Economic Commitee survey projected that the proportion of local revenues generated by property taxes would increase in 1988 over 1987. City dependency on property taxes range from a high of 97% to less than 15%.

The viability of an IDS property tax application is directly related to the city's dependency on property tax revenues and the processing efficiencies that can be realized.

Municipal Contracting

Budgeting cutbacks are forcing municipalities in the United States to look increasingly at the possibility of contracting with private supliers to provide public services.

Few northeastern cities are heavy contractors, private contracting appears to be more popular in the rest of the country. Of the ten cities that are most heavily involved in municipal contracting, only Rochester is in the northeast.

The cities that contract the most public services are:
Anchorage (39)
Portland and Tucson (33)
Rochester (31)
Atlanta (29)

The cities that contract out the least are:
Birmingham (3)
Miami (3)
Louisville (3)
Baltimore (0)

A unique situation exists within few cities such as Miami. Many of the Miami city services are provided by Dade county and the county is obtaining those services through private contracting of services.

The increasing opportunity for IDS services in municipal governments because of budget cutbacks show the requirement for IDS solutions which are more cost effective than in-house capabilities.

Ranking of Cities by Contracted Projects and Services

Rank	City	Business Organization	Non-Profit Organization	Both
1.	Anchorage	29	10	39
2.	Portland	24	9	33
3.	Tucson	23	10	33
4.	Rochester	16	15	31
5.	Atlanta	19	10	29
6.	Colorado Springs	20	8	28
6.	San Diego	19	9	28
8.	Phoenix	23	4	27
9.	Cinncinnati	12	14	26
10.	Indianapolis	15	10	25

Energy Management Services

Energy management services have become an increasingly important function for municipalities and a source of opportunity for IDS project management. Citizens receiving utilities services from the municipal government are the heaviest users of electricity. Some cities are making a conscious effort to reduce the consumption of energy in the community and encourage private conservation activities. The following listing show how the major cities ranked based on thirty city energy management services and consumer awareness programs. The remaining column "Other" represents special energy-saving initiatives developed by individual cities. The letter "e" next to the name of the city indicate that the energy expenditures represent the second highest item in the cities operating budget.

D. External Analysis

The IDS dedicated sales representatives have identified the following customer reasons for choosing not to use IDS solutions:

Reason	Number	Percentage
Bid	12	21.0%
Price	9	15.7%
In House Capabilities	7	12.3%
Bureaucracy	6	10.5%
Relunctance to Change	5	8.8%
Turnaround Time	4	7.0%
Funding and Budget	4	7.0%
Cost	3	5.3%
Accounts are too small	2	3.5%
Lack of System Knowledge	1	1.8%
Need lower quantities	1	1.8%
Prison/Free Labor	1	1.8%
Sole Source	1	1.8%
Timing	1	1.8%
	57	100.0%

As shown above, the bid process, comparable competition pricing, in-house capabilities, and government bureaucracy are the major issues which need to be addressed. These factors account for 59.5% of the unsold IDS proposals.

E. Market Requirements

One of the most important criteria to be considered when identifying the market requirements is what data system category does the prospective customer have.

Approximately 88% of the local government units which are computorized are processing information with a small business computer (PC) using expanded memory. These systems are supported by regional VAR software companies specializing in design, support, implementation and maintenance for the government market.

There is an overall lack of data processing sophisication, expertise, and systems development by the customer in this category. Support channels allowing access to the software integrator and back-end processors is essential.

The larger cities, municipalities, and state government data processing needs are carried out on a medium or large mainframe system. Systems design, programming, and processing procedures are managed in-house. The need for special expertise, evaluations, and analysis are contracted out on an as need basis. These accounts tend to require fewer assistance and support interactions involving the IDS order entry and front-end processing procedures, but the inquiries received are far more comprehensive and detailed in nature.

Part of the success of IDS is linked to the quality of customer service and support, particularly since our larger volume customer's organizations consist of trained data processing/programming personnel.

There is a strong need to develop a customer technical support department. Customers often do not know where to direct technical questions and requests for data processing support. They find the salespeople are unable to answer many of their difficult technical questions. Our salespeople are turning to IDS marketing or the IDS facility for help, but both departments are not geared for technical liason support services and are usually slow in responding to customers.

Equally important is the need to establish mutual marketing relationships with the major software development companies focusing on the government marketplace. Access to the source code in the major software package would allow Moore greater efficiencies in data processing and the offering of standardized application programs to a large number of users.

In some cases it is advantageous to develop and install the appropriate software on-site enabling the customer to perform all front-end processing and conversion to generate a 95% print ready transmission. The customer could then transmit print image data directly to Moore requiring minimal processing for time-sensitive turnarounds.

IV. Marketing Strategy

A. Objectives

Objective No. 1 - To increase the IDS sales volume by 105% in the government market segment for 1989.

Objective No. 2 - To introduce $2MM to the IDS government sales volume through a parking ticket notification and reconciliation service program by the end of the fourth quarter 1989.

Objective No. 3 - Attain a 10% market share in the state motor vehicle registration renewals, emissions, smog control, and motor vehicle safety check notification programs by December 1989.

B. Strengths and Weaknesses

Strengths

1. IDS Sales Coverage - IDS has a distinct market advantage with national coverage in all the metropolitan cities. It is estimated that approximately 80% of the combined state, municipality, county, and city government accounts are identified in the sales control database. The majority of the government accounts are covered by a "core" sales representative. Joint account representation is occurring on a limited basis in the larger government accounts.

2. Established Core Account Penetration - IDS has the opportunity to utilize established relationships developed by the sales of "core" volume. In most cases long term integrity and automatic credibility have enabled the success of IDS proposals in sold "core" accounts.

3. Total Source/Full Service Provider - IDS has the overall capability and resources to produce and process the components and provide total project management.

4. Company Name and Reputation - The "Moore" company name is well recognized in the industry and represents the providing of quality products and services. However, the IDS division has received limited exposure and is not well known in this market segment.

Efforts must be made to make the "IDS" name synonomous with the attributes of Moore.

Weaknesses

1. IDS Product Line - The full spectrum of mailing systems, representing the latest imaging technology (impact and non-impact) and mailable form constructions is incomplete. Customer needs for proven and acceptable mailing vehicles such as Speedimailers, LaserMate, Speedifold type products have been omitted from the IDS proposition.

2. Market Knowledge - A lack of operational knowledge in the government market segment is apparent. The majority of the sales force are attempting to tailor specific IDS components to a non value-added bid process.

3. Price - Customers identified price as the major reason they decided on a non-Moore alternate when purchasing an IDS type solution. Outside of special projects and unique situations, the efficiencies and economies to justify their decisions for out of house production could not be substantiated.

4. Location - Legislative requirements have limited some IDS opportunities by requiring that the processing, mailing, tabulating, or receiving of funds be performed within specific geographic boundaries. The increase in data communications and network transmission is creating the need for revised legislation in the more restrictive government units.

C. Strategies

Based on the current government market analysis and projections, the following market strategies are recomended:

1. Advise the dedicated IDS sales force, that our market focus is structured toward specific targeted government programs, which will include the expansion and comprehensive packaging of IDS services.

2. Marketing will provide qualified sales information on targeted customer profiles, guidelines, and market characteristics to the dedicated sales force to develop a competitive edge.

3. Provide a 24 hour access customer support "hotline" to accept customer assistance inquiries and establish a 4 hour maximum response time for callbacks.

4. Expansion of the product line is necessary to offer a comprehensive selection of services to achieve the total project management concept. This expansion should include the addition of line printing on continuous forms as a supplement for fulfillment on larger production commitments. In areas where the most economical costs are the primary consideration in a mailing application, there should be the flexibility to present Speedimailers, Lasermate, and postcards providing IDS applies the variable information to the document via high speed line, electronic, ink jet, or a combination of imaging technologies.

5. Continue efforts to develop a more appropriate pricing structure for IDS services in the government arena. This will require that the IDS sales representatives assume the role of project consultants and manage a full serve program to justify value-added pricing for Moore's expertise.

V. Tactical Plan and Action Steps

Tactical Action No. 1 - Formally introduce IDS in the government marketplace as a "communication Services" provider for both revenue gathering and expenditure operations.

Action Steps

1. Initiate joint co-operation with corporate communications and the national accounts department to develop a print media advertisement for use in government associations. (Third Qtr. 1988)

2. Evaluate the current government association conferences relating to IDS type programs and determine which ones are present the maximum effective IDS exposure leading to sales opportunities. (Fourth 1988)

3. Investigate the requirements to develop an ongoing interactive customer focus group with select customers in key applications we have targeted. (Fourth Quarter 1988)

Tactical Action No. 2 - Concentrate marketing efforts on addressing customer needs in parking ticket notification programs. These programs will need to be more efficient and cost-effective than the customers internally designed solutions.

Action Steps

1. Develop the program offering based on identified customer requirements presented at the AAMVA conference in November 1988.

2. Submit the program flow and analysis material to a marketing program specialist to coordinate the production of components for release to the sales field. (January 1989)

3. Monitor the program activity, sales volume, and profitablity routinely and determine if modifications and further enhancements are necessary for the success of the program. (February 1989)

Tactical Action No. 3 - Develop a motor vehicle registration renewal program based on the criteria offered by the American Association of Motor Vehicle Administrators.

Action Steps

1. Create the preliminary outline of services and methods to be utilized. This outline will be reviewed with the key sponsors in part to determine the feasibility and optimal configuration of the program. (Fourth Qtr.1988)

2. Coordinate the system testing implementations with two initial beta sites to evaluate the efficiency and fine tune the operating procedures. (First Qtr. 1989)

3. Develop the program documentation and procedures to be used by the market programs specialist for implementation. (Second Qtr. 1989)

4. Release the program to the dedicated IDS sales force with the necessary training materials. (Third Qtr. 1989)

Tactical Action No.4 - Conduct a study to quantify the benefits and project costs to launch a 24 hour customer technical hotline program.

Action Steps

1. Contact Moore Marketing Research to determine the parameters of the evaluation process. (Fourth 1988)

2. Coordinate assistance from Response Analysis and IDS Manufacturing to identify their requirements and define what their contributions to this project would be. (First Qtr. 1988)

3. Present the study findings to management for review and disposition. (Second Qtr. 1989)

VII. 1989 Government Marketing Budget

Marketing Expenditures	Quarter 1 Jan-Mar	Quarter 2 Apr-Jun	Quarter 3 Jul-Sept	Quarter 4 Oct-Dec
Advertising Mkt. Publications	$2000.	$1500.	$4000.	$1000.
Direct Mail Business Contacts	$150.	$100.	$200.	$100.
Trade Shows Vertical Software		$3500.		$3000.
Trade Shows Imaging/Prin	$2000.		$2000.	
Industry Conferences	$1000.	$1000.	$1000.	$1000.
Travel - Joint Development Mtg.	$3500.	$3500.	$3500.	$3500.
General and Administration	$200.	$200.	$200.	$200.
Office Equipment	$2850.			
Quarterly Totals	$11700.	$9800.	$10900.	$8800.

Direct Mail Lead Generation Program - Outbound sales and promotional literature to identified key contacts in potential accounts. Key contacts will be identified by sales input, association attendee listings, and industry conference participants. Promotional piece will consist of updated IDS brochure, revised insert, and personalized letter. Depending on the letter text, the recipient should expect a follow-up call from the IDS representative.

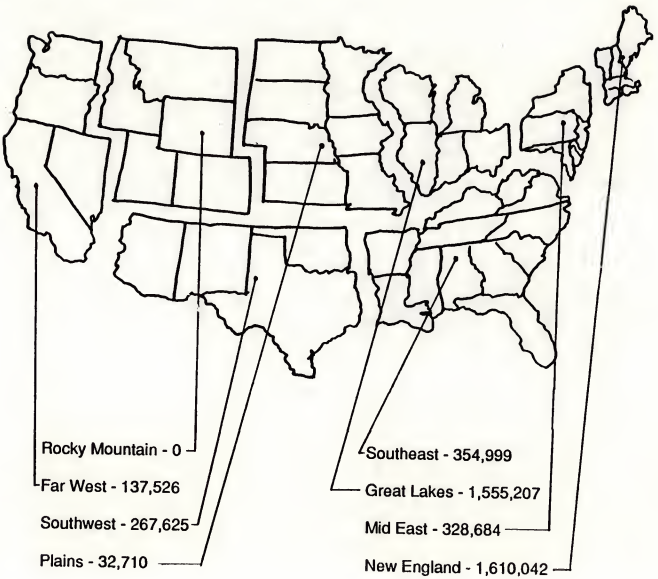
Trade Shows - Exhibiting in the Fall and Spring Comdex Show. This show serves as a informational forum on the latest services and technologies in the computer and data processing industry. It would provide an opportunity to market IDS services against in-house imaging alternatives. The exposition arrangements and expenses are shared by four Moore divisions. Exhibit fees, storage, set up, and booth transportation are coordinated by corporate communications.

Industry Conferences - American Association of Motor Vehicle Administrators, National Association of American Cities, Explor (association for Xerox 9700 users), American Association for County Administrators.

Office Equipment - Purchase of an IBM compatible PC with expanded memory, software, modem, and networked to departmental laser printer. The system will increase productivity by allowing direct access to the IDS database, monitoring of program activities, and ability to transmit requests and receive market research data from external sources.

IDS U.S. Market Profile by Revenue

State Government Applications



Geographic Distribution of IDS Volume by U.S. Regions

New England Region - 1,610,042
Connecticut - 163,054
Maine - 673,466
Massachuetts - 167,186
New Hampshire - 44,021
Rhode Island - 262,315
Vermont - 0

Mid East Region - 328,684
Delaware - 96,358
Maryland - 154,999
Pennsylania - 0
New Jersey - 77,327
New York - 0

Great Lakes Region - 1,555,207
Illinois - 1,130,745
Indiana - 64,780
Ohio - 149,850
Michigan - 209,832
Wisconsin - 0

Plains Region - 32,710
Iowa - 0
Kansas - 0
Minnesota - 0
Missouri - 0
Nebraska - 32,710
North Dakota - 0
South Dakota - 0

Southeast Region - 354,999
Alabama - 0
Arkansas - 0
Florida - 53,554
Georgia - 117,597
Kentucky - 0
Louisiana - 46,598
Mississippi - 0
North Carolina - 0
Virginia - 28,667
West Virginia - 108,583

Southwest Region - 267,625
Arizona - 28,308
Oklahoma - 0
New Mexico -239,317
Texas - 0

Rocky Mountain Region - 0
Colorado - 0
Idaho - 0
Montana - 0
Utah - 0
Wyoming - 0

Far West Region - 137,526
California - 56,410
Nevada - 29,622
Oregon - 51,494
Washington - 0

RANKING OF STATE GOVERNMENTS WITH 1987 IDS VOLUME OF $10,000 OR GREATER

STATE	VOLUME	NO. OF ORDERS	RANKING
ARIZONA	28,308	1	26
CALIFORNIA	56,410	2	16
CONNECTICUT	163,054	25	7
DELAWARE	96,358	27	12
FLORIDA	53,554	2	17
GEORGIA	117,597	8	10
HAWAII	53,171	2	18
ILLINOIS	1,130,745	45	1
INDIANA	64,780	2	15
LOUISIANA	46,598	2	20
MAINE	673,466	24	2
MARYLAND	154,999	3	8
MASSACHUSETTS	167,186	2	6
MICHIGAN	209,832	9	5
NEBRASKA	32,710	6	23
NEVADA	29,622	9	24
NEW HAMPSHIRE	44,021	1	21
NEW JERSEY	77,327	5	13
NEW MEXICO	239,317	25	4
OHIO	149,850	1	9
OKLAHOMA	34,930	1	22
OREGON	51,494	3	19
RHODE ISLAND	262,315	10	3
SOUTH CAROLINA	12,595	2	27
VIRGINIA	28,667	1	25
WASHINGTON DC	66,352	1	14
WEST VIRGINIA	108,583	6	11
TOTAL	4,153,841	225	27

Average Dollars/Order	-	$ 18,461.52
Average Volume/Account	-	$153,845.96
Average Orders/Account	-	8.3

LISTING OF STATE GOVERNMENTS WITH 1987 IDS VOLUME FROM 0-$10,000

ALABAMA

ALASKA

ARKANSAS

COLORADO

IDAHO

IOWA

KANSAS

KENTUCKY

MINNESOTA

MISSISSIPPI

MONTANA

NEW YORK

NORTH CAROLINA

NORTH DAKOTA

PENNSYLVANIA

SOUTH DAKOTA

TENNESSEE

TEXAS

UTAH

VERMONT

WASHINGTON

WISCONSIN

WYOMING

TOTAL OF 23 STATE GOVERNMENTS UNSOLD OR UNDERSOLD

RANKING OF COUNTY GOVERNMENTS WITH 1987 IDS VOLUME OF $10,000 OR GREATER

COUNTY	VOLUME	NO. OF ORDERS	RANKING
ARLINGTON	16,429	4	1
BUCK	28,550	1	9
COBB	33,833	3	7
EL DORADO	94,911	6	1
GRANT	20,212	3	12
HAMILTON	28,765	2	8
JEFFERSON	37,952	1	5
LAKE	57,786	2	2
LOS ANGELES	34,099	4	6
MONTGOMERY	25,505	1	11
POLK	16,654	1	13
PRINCE WILLIAM	27,272	1	10
SOLANO	38,947	6	4
WEBER	42,526	6	3
TOTAL	477,936	41	14

Average Dollars/Order - 11,656.98
Average Volume/Account - 34,138.28
Average Orders/Account - 2.9

Note: The following account was excluded from the county government tabulation:

COUNTY BOARD OF COMMISSIONERS Volume - 206,069 No. of Orders - 8

TOP 10 METROPOLITAN MARKETS

(RANKING BY SALES INDEX AND AVERAGE ANNUAL COMPOUNDED GROWTH RATE)

MARKET	1987	1985	1980
NEW YORK	1	1	1
LOS ANGELES	2	2	2
CHICAGO	3	3	3
WASHINGTON D.C.	4	4	5
SAN FRANCISCO	5	6	6
PHILADELPHIA	6	7	10
DALLAS	7	5	4
ATLANTA	8	12	16
BOSTON	9	8	8
DETROIT	10	9	11
MINNEAPOLIS/ST. PAUL	11	11	9
HOUSTON	12	10	7

GEOGRAPHIC DISTRIBUTION OF COMPUTER AND DATA PROCESSING SERVICE ESTABLISHMENTS

REGION	1975	1980	1986	CGR% (1975-1986)
NEW ENGLAND	437	1026	2133	15.5%
MIDEAST	1525	2924	6062	13.4%
GREAT LAKES	1073	2120	4398	13.7%
PLAINS	404	851	1770	14.4%
SOUTHEAST	1038	2214	4593	14.5%
SOUTHWEST	658	1448	2997	14.8%
ROCKY MOUNTAIN	183	448	927	15.9%
FAR WEST	1199	2579	5370	14.6%
TOTAL U.S.	6517	13610	28,250	14.3%

CGR% = Average Annual Compound Growth Rate

IDS Utilities Market

Market Plan

1988 -1989

prepared by
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August 5,1988

I. IDS Business Review

IDS has been experiencing a constant upward growth rate with good profitability in this vertical market since the introduction of the ink jet imaging capability on the first utility application in 1985.

The bulk of the orders involved single production and mailing applications. New trends indicate that more inquiries are being submitted for total project management strategies. These inquiries involve subcontracted services through Response Analysis Services and the bundling of the entire offering into a package deal. The applications fitting this criteria are energy audits, metering cards, proxies, and customer surveys.

The IDS utilities market is defined by the following SIC codes:

4911 - Electric Companies
4923 - Electric Energy Transmission Services
4924 - Natural Gas Distribution Services
4931 - Co-generation Energy Facilities (Gas and Electric)

The sales performance is shown below:

1987 Utilities Volume by SIC Code

SIC Code	Quantity	No. Orders	Net Sales	Concession %
4911	504,634	31	160,621	1.0%
4923	83,203	15	23,803	21.3%-
4924	600,062	44	152,611	13.6%
4931	1,686,070	40	349,169	5.6%-
Total	2,873,969	130	686,204	2.8%

(-) denotes overage

This market segment shows good profitability due to the number of applications which are not overly price sensitive such as legislative compliances, energy audits, and refunds for overcharging consumers. Minimum publicity and timeliness appear to be higher customer priorities.

Composite Averages Based on Total IDS Utilities Volume 1987

Average Dollars/Order	5278.00
Average Quantity/Order	22,107
Average Concession/Order	2.8%

Dedicated vs Non-Dedicated IDS Utilities Volume and Orders 1987

	Volume	Orders
Dedicated IDS Volume	112,563	22
Non-Dedicated IDS Volume	573,641	108

II. Market Analysis

A. IDS Market Size

For 1987, the gas and electric utilities update shows approximately 2800 companies, which include public, private, and co-generation facilities representing a minimum of $40,000,000 in IDS volume potential (billing services are excluded). An additional municipal utility potential exists in the IDS government vertical market.

IDS market share for this VMS is less than 1%.

B. Problems and Opportunities

A number of external and internal problems inhibit the marketing strategy of the utilities market.

1. Current studies indicate lower growth rates in energy demands and consumptions. Long range forecasts for energy supply and demand compared to real GNP shows ratios which range from 0.58 to 1.22. The median ratio is .90. These forecasts span the period from the years 1980 through 2000. In addition the current trends of acquisitions will reduce the number of utility companies.

2. Legislation has allowed Citizen Utility Review Boards to distribute informational materials as inserts in the utility company mailings (including monthly billings). As a method of controlling the size, thickness, costs of inserting and postage, more utilities will maintain these mailing applications in-house. An advance awareness of information content is also beneficial, in that public relations materials can be developed and included in the mailing to counter adverse issues.

3. Energy Audit programs appear to be a one-time proposition to meet governmental compliancies. This volume must be supplemented by long term contractual business.

4. In satisfying customers requirements for survey type applications, Moore has experienced difficulty in controlling survey processing costs, which resulted in lower profit levels.

5. The majority of IDS sales volume for the utilities market segment is being attained by core sales representatives at a ratio of 5.09 to 1 ($573,641 versus $112,563). Since the dedicated IDS representatives have not fully focused on this market segment, our immediate marketing efforts will require the continuation of non-dedicated selling efforts to realize the 1989 objectives.

C. Current Market Situation

Utility companies are experiencing an increasingly competitive energy market. In the past, their customer's needs and expections could be met by simply fulfilling consumption requirements.

According to the Bureau of Labor Statistics, Monthly Labor Review, the public utilities outlook represents the lowest percentage of increase in industrial sales at 28% projected from 1984-1995. The overall utilities growth rate is anticipated at 1.3% annually for the next five years.

New utility strategies consist of the consolidation of several smaller companies into larger companies providing services over a variety of states. In essence, some of the companies are attacking themselves as competing co-generators to head off rival competition. The latest trend towards aquisitions and mergers identifies the realistic probability of privately held companies decreasing in number from 480 to 160 by 1994.

D. External Analysis

Three fundamental forces are changing the market focus, in response to lower growth rates and alternative energy markets. These forces are:

1. Cost of Service Differentials -
   These occur by region , by customer, and by utility company.

Previously, the differences were less visible and less economically significant. With the high rate of growth or demand for energy and consistently decreasing costs, the cross subsidization, customer bypassing, and the transmission of energy from one region to another were not significant issues. Today, the cost of service differentials bring these issues to the forefront. Some service areas have natural resources to produce low cost energy, such as hydro-electronic power, while other regions may not have the natural resources, but experience an increased level of customer demand.

The use of cross-subsidies allow some customers to be charged less than the actual cost of service, while other customers are being overcharged. This practice encourages customers bypassing the system using alternate energy sources. An additional factor compounding the situation is the financial position of the utility companies. The utilities which are cash rich can hold out for stable or decreasing rates, the financially drained companies are anticipating massive rate hikes.

2. Maturity of the Industry -

Excess capacity and heavy market penetration are present in all the economic areas. A slackening in the rate of growth demand is currently taking place. During the last twenty years, there has been no major technological advances in generation or transmisson to reverse the trend. The growth rate of demand has lagged behind the gross national product growth rate for the last eight years. Prior to 1980 the opposite was true. As a result, the industry is more vulnerable to major technological breakthroughs made by competing industries.

3. Increasing Competition -

This force is likely to have the greatest impact on the industry. The competition is approaching from a variety of fronts. The Public Utility Regulatory Policies Act, has accelerated the growth in independent energy cogenerators. Active legislation is attempting to dismantle the territorial protection structures which are prevalent in the industry.

Citizen utility boards are exerting renewed pressures on the industry for a response to the consumer's needs for flexible billing programs, such as mid-month and level usage computations. In addition, the problem of excessive capacity in conjunction to the cost of service differentials have intensified developments in the energy markets. Alternative markets are growing because large customers are switching to other sources or relocating to new territories as cost-containment efforts increase. The complexity of the energy marketing process has been heightened by increasingly efficient energy-saving appliances and conservation minded comsumers.

Together these forces have created an energy environment that requires new strategies for growth and to maintain market share.

E. Market Requirements

Most utilities believe the future success in the energy services market is through improved customer interfacing and the enhancement of customer services. Their strategies include specific technologies that accommodate changing customer preferences and utility needs.

The most significant factor to IDS is that utilities derive their revenues from industrial, commercial, and residential customers. Recent losses in heavy industrial usage, a utility's main revenue foundation, have left these companies scrambling to aquire more favorable commercial-service industry customers. To impact the situation, utilities have experienced a downward spiral with residential usage due to energy efficient homes and appliances, and projected increases in the number residential customers cannot provide enough energy demand to offset industrial losses.

Most utilities will approach the situation with two perspectives, short term sustaining and long term positioning. These perspectives increasingly emphasize the need of satisfying customer's preferences in a changing environment. The short term sustaining strategies are the use of demand side management (DSM), which can be immediately implemented and is less costly to administer. The positioning strategies are capital intensive and technologically constrictive.

The fundamental purpose of DSM is to differentiate utility services by degree of communication, level of reliability, level of service, and type of energy. When effective this will provide incentives for customers to alter their energy loads. The differentiations are explained below:

Level of service
Interruptible/ Curtailable rates
Time of use rates
Incremental rates
Incentive and Economic use rates

Level of Reliability
According to End-Use
According to Customer

Type of Energy
Electrical
Gas (natural or propane)
Co-generation
Heating Oil

Degree of Communication
Advertising and Promotion
Customer Education
Customer Survey
Shareholder Services

The "level of service" and "level of reliability" areas are future opportunities in terms of IDS because they involve capital equipment commitments and installations at customer locations.

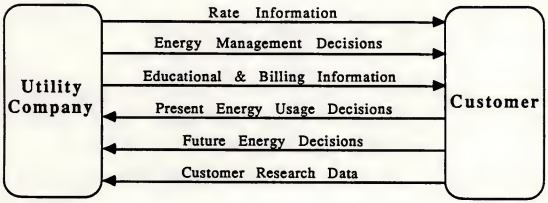
The "type of energy" category is indirectly related to the "degree of communication" area. The "type of energy" selection decisions are prefaced and confirmed by some sort of communication program.

The "degree of communication" category presents the major opportunity for IDS services. This opportunity encompasses applications such as :

Consumer awareness mailings
Energy audit/usage programs
Customer surveys
Conservation incentive programs
Utility Commision or Regulatory Refund Compliancies
Shareholder Communications (Proxies)

The diagram below illustrates the communications flow between the utility company and the customer.

Information Flow and Communications System
for Utility Companies



III. Competitor Analysis

1988 Utilities Survey Tabulation
(Dedicated IDS Sales Force Responses)

The survey responses were fairly equal in area saturation and represented all four U.S. areas as follows:

Areas	No. of Responses	% of Total
Eastern	14	28.0%
Midwestern	12	24.0%
Southern	12	24.0%
Western	12	24.0%
	50	100.0%

Competitor	Frequency	% of Total	
In-House Capabilities		30	43.5%
Data Document		6	8.9%
Service Bureaus		4	5.8%
Advertising Agencies		3	4.4%
Lettershops		3	4.4%
Wallace		3	4.4%
Direct Mail Concepts		2	2.9%
Hart Graphics		2	2.9%
Laser Shops		2	2.9%
Standard Register		2	2.9%
Uarco		2	2.9%
Zytron (Dunn & Bradstreet)		2	2.9%
Arnold Printing		1	1.4%
Energy Audit Companies		1	1.4%
Globe Communications		1	1.4%
Krupp Taylor		1	1.4%
Mail Houses		1	1.4%
Mail Ways		1	1.4%
Stat Tab		1	1.4%
Response Graphics		1	1.4%
Total Utility Competitor Responses		69	100.0%

As shown above, our primary competition is in-house capability. The gradual change of focus from energy generation to end-user energy services is responsible for this market segment's increase of in-house capability. The combination of in-house capabilities, Data Documents, and service bureaus comprised 66.4% of reported competition.

IV. Marketing Strategy

A. Objectives

Objective No.1 - To increase the IDS utilities market segment sales volume by 42% for 1989.

Objective No. 2 - Initiate IDS market entry for utility shareholder services and achieve 10 sold customers applications by December 1989.

Objective No. 3 - To increase the average dollar order volume by 14% by promoting changes in application mix with results in the third quarter of 1989.

B. Strengths and Weaknesses

Strengths

1. IDS Sales Coverage - IDS has a distinct market advantage with national coverage in all the metropolitan cities. Over 75% of the utilities market accounts are identified in the sales control database.

2. Company Name and Reputation - The "Moore" company name is well recognized in the industry and represents the providing of quality products and services. However, the IDS division has received limited exposure and is not well known in this market segment. Efforts must be made to make IDS synonomous with the attributes of Moore.

3. Full Service Provider - IDS has the unique resources and industry relationships to create system alternatives involving a variety of capabilities. Multiple IDS facilities, Response Analysis, and subcontracting offer flexibility in developing solutions for customers needs.

Weaknesses

1. Lack of Flexibility - The utility market segment considers IDS type applications as time sensitive and require flexibility in scheduling. They

need shorter lead times and quicker turnaround requirements. IDS experiences have been to accommodate the customer requirements based on a forms production schedule.

2. Price - Customer perceive IDS as a costly alternative solution on most applications. Outside of special projects and unique applications, the efficiencies and/or economies to justify the decisions for out of house production cannot be substantiated.

3. Location - The utilities market is showing a preference for service providers located in close proximity. A perception of "loss of control" is evident when introducing out-of-state, non-metropolitan locations. Informal on-site visits solidify and build customer/vendor relationships. Due to logistics and inconvenience potential IDS customers require additional reassurances to overcome their lack of security.

C. Strategies

Based on the current utilities market analysis and projections, the following market strategies are recommended:

1. Advise the sales field that the utilities market offers a significant amount of opportunity, but future selling efforts will require a targeted approach. Marketing has focused on the major applications which represent the most attainable and profitable business. In addition, a listing of the 50 largest metropolitan markets experiencing energy demand activity will be circulated. This industry will be ongoingly monitered and new opportunities will be evaluated as they begin to materialize.

2. Redefine our position as a "communications provider" instead of a billing services company, which is the most common presentation made by sales representatives to this industry. IDS has attained greater success when handling programs developed outside the utility's billing operations. The specific programs consisting of bundled services we should focus on include consumer awareness mailings, energy audit/usage, customer surveys, conservation incentive programs, refund compliancies, and shareholder communications.

3. Expansion of the product line is necessary to offer a comprehensive selection of services to achieve the total project management concept. This expansion should include the addition of line printing on continuous forms as a supplement for fulfillment on larger production commitments. In areas where the most economical costs are the primary consideration in a mailing application, there should be the flexibility to present Speedimailers, Lasermate, and postcards provided IDS applies the variable information to the document via high speed line, electronic, ink jet, or a combination of imaging technologies.

4. Continue efforts to develop a more appropriate pricing structure for IDS services in the utilities arena. This will require that the IDS sales representatives assume the role of project consultants and manage a full serve program to justify value-added pricing for Moore's expertise.

5. Request the advertising packages and investigate the feasibility and effectiveness of advertising in the American Gas Association Journal and the Edison Electric Institute Monthly Publication to reach key decision makers in this market and increase exposure for IDS as an alternative communications solution.

2. Relate the necessary information and advise the market program specialist in the development and implementation of the program. Review the materials provided by the various sources such as sales education, pricing, manufacturing, and corporate communications for consistency and accurately fulfilling the program strategy. (First Qtr. 1989)

3. Monitor the application activity, sales volume, and profit margins routinely to determine if modifications and further enhancements are necessary for the success of the program. (Second Qtr. 1989)

4. Concurrently assess the customer's degree of satisfaction and the effectiveness of the program for building continued growth. (Ongoing after the Second Qtr. 1989)

Tactical Action No. 3 - Establish a more active role in offering "direct mail services" to the utility companies' customer base. This effort would take our "total project management" concept and focus it into a "marketing project management" concept. The customer's identified needs for programs such as warranties, maintenance and service contracts, and customer satisfaction surveys represent a major opportunity.

Action Steps

1. Catagorize the variety of utility "direct marketing" programs and develop specifications for a basic standardized program to support each application. In addition to the basic program, a select offering of additional services would be provided as enhancements. (First Qtr. 1989)

2. Relate the necessary information and advise the market program specialist in the development and implementation of the program. Review the materials provided by the various sources such as sales education, pricing, manufacturing, and corporate communications for consistency and accurately fulfilling the program strategy. (Second Qtr. 1989)

V. Tactical Plan and Action Steps

Tactical Action No. 1 - Formally introduce IDS in the utilities marketplace as a " communications services" provider for specific applications.

Action Steps

1. Contact corporate communications and jointly develop a print media advertisement for publication in Public Utilities Monthly and Utilities Fortnightly. (Third Qtr. 1988)

2. Conduct a test mailing to a sampling of gas and electric utility executives (CEO, marketing, public relations) introducing the presentation graphics capabilities in the utilities marketplace. Follow-up the test mailing with a brief survey, to gauge initial impression, level of interest, and define how and why the presentation graphics was or was not appropriate for their particular operation. (First Qtr. 1989)

Tactical Action No. 2 - Develop standardized application programs for specific utilities operations. These programs will need to be more efficient and cost-effective than the customers internally designed solutions. The offerings of this type would be very similar to our present 1099/W-2 programs.

Action Steps

1. Catagorize the variety of IDS utility applications and develop specifications for a basic standardized program to support each application. In addition to the basic program, a select offering of additional services would be provided as enhancements. (Fourth Qtr. 1988)

2. Develop a pert chart for each program and release one program by January 1989.

3. Monitor the application activity, sales volume, and profit margins routinely to determine if modifications and further enhancements are necessary for the success of the program. (Third Qtr. 1989)

4. Concurrently assess the customer's degree of satisfaction and the effectiveness of the program for building continued growth. (Ongoing after the Fourth Qtr. 1989)

Tactical Action No. 4 - Develop a system to accurately track standardized utilities programs using the existing field for preset information on the sales order contract. The purpose of the system is two-fold. It would offer a complete analysis of the activity within the sales reporting system and link the information to established mutual marketing partnerships.

Action Steps

1. Confirm IDS access and authorization to use the data field with sales control. (Third Qtr. 1988)

2. Develop a coding system of identifiers for the programs and the mutual marketing partners through the IDS database. The key consideration will be the allowance for future expansion within the coding system. (Third Qtr. 1988)

3. Develop an implementation package to launch the use of the coding system on the initial standardized utilities market program. (Third Qtr. 1988)

VI. Utilities Market Projections

It is anticipated that no market program will be implemented in 1988 to impact sales volume. Based on a linear extrapolation, 1988 sales volume should increase by 28% over 1987 figures. The ratio of dedicated compared to non-dedicated should lower from 5:1 to 4:1. The dedicated and non-dedicated sales representatives are still experiencing a positive growth in the market, but the growth rate is declining.

1988

Dedicated IDS Sales -	$243,000.	115.0%
Non-Dedicated Sales -	$658,000.	15.1%
	$901,000.	28.2%

Formal programs for proxies and energy audit mailings should be introduced at the beginning of the second quarter of 1989. With the activated programs, the growth rate should regain momentum increasing sales volume by a greater amount of new business.

1989

Dedicated IDS Sales -	$500,000.	106.0%
Non-Dedicated Sales -	$787,000.	20.0%
	$1,287,000.	42.0%

VII. 1989 Utilities Marketing Budget

Marketing Expenditures	Quarter 1 Jan-Mar	Quarter 2 Apr-Jun	Quarter 3 Jul-Sept	Quarter 4 Oct-Dec	
Advertising Mkt. Publications	$1000.	$1000.	$1000.	$1000.	
Direct Mail Business Contacts	$150.	$100.	$200.	$100.	
Trade Shows Vertical Software	$1000.		$500.		
Trade Shows Imaging/Prin					
Industry Conferences		$1000.		$1000.	
Travel - Joint Development Mtg.	$1750.	$1750.	$1750.	$1750.	
General and Administration	$50.	$50.	$50.	$50.	
Office Equipment					
Quarterly Totals	$3950.	$3900.	$3500.	$3900.	

Direct Mail Lead Generation Program - Outbound sales and promotional literature to identified key contacts in potential accounts. Key contacts will be identified by sales input, association attendee listings, and industry conference participants. Promotional piece will consist of updated IDS brochure, revised insert, and personalized letter. Depending on the letter text, the recipient should expect a follow-up call from the IDS representative.

Trade Shows - Exhibiting in the Fall and Spring Comdex Show. This show serves as a informational forum on the latest services and technologies in the computer and data processing industry. It would provide an opportunity to market IDS services against in-house imaging alternatives. The exposition arrangements and expenses are shared by four Moore divisions. Exhibit fees, storage, set up, and booth transportation are coordinated by corporate communications.

Industry Conferences - American Association of Motor Vehicle Administrators, National Association of American Cities, Explor (association for Xerox 9700 users), American Association for County Administrators.

Office Equipment - Purchase of an IBM compatible PC with expanded memory, software, modem, and networked to departmental laser printer. The system will increase productivity by allowing direct access to the IDS database, monitoring of program activities, and ability to transmit requests and receive market research data from external sources.

Projected 50 Largest Metropolitan Markets of 1991
Demanding Energy Resources and Services

1991 Ranking	Metropolitan Market	projected 1991 population (thousands)	projected % change 1986-91
1.	Los Angeles - Long Beach	8869.6	+6.7%
2.	New York	8713.0	+2.2%
3.	Chicago	6187.9	+0.4%
4.	Philadelphia	4884.2	+1.2%
5.	Detroit	4412.7	+1.2%
6.	Boston - Lawrence - Salem Lowell - Brockton	3752.9	+0.8%
7.	Washington D.C.	3744.8	+5.7%
8.	Houston	3567.9	+10.4%
9.	Atlanta	2800.3	+10.1%
10.	Nassau - Suffolk, New York	2737.7	+2.8%
11.	Dallas	2666.3	+12.1%
12.	St. Louis	2498.7	+1.9%
13.	San Diego	2466.0	+11.4%
14.	Minneapolis	2445.9	+5.3%
15.	Baltimore	2374.7	+3.0%
16.	Anaheim - Santa Ana	2341.3	+7.5%
17.	Riverside - San Bernadino, CA	2325.2	+15.9%
18.	Phoenix	2221.4	+15.9%
19.	Tampa - St. Petersburgh - Clearwater, FL	2133.9	+11.4%
20.	Pittsburgh	2103.4	-1.7%
21.	Oakland	2070.6	+6.2%
22.	Newark	1905.4	+0.3%
23.	Miami - Hialeah	1901.7	+6.5%
24.	Seattle	1860.5	+5.8%
25.	Cleveland	1823.2	-1.6%
26.	Denver	1796.3	+8.9%
27.	San Francisco	1649.6	+4.2%
28.	Kansas City	1582.3	+3.7%
29.	San Jose	1484.5	+5.4%
30.	Sacramento	1450.9	+11.2%
31.	Cincinnati	1421.0	+0.1%
32.	Fort Worth - Arlington	1420.3	+15.9%

33. New Orleans	1402.8	+4.1%
34. Milwaukee	1400.5	+0.4%
35. Norfolk - Virginia Beach - Newport News, VA	1394.9	+6.7%
36. San Antonio	1378.6	+10.2%
37. Columbus, OH	1334.4	+2.5%
38. Bergen - Passaic, NJ	1311.1	+0.6%
39. Fort Lauderdale - Hollywood - Pompano Beach, FL	1280.0	+9.6%
40. Indianapolis	1247.2	+2.3%
41. Portland, OR	1188.3	+2.5%
42. Charlotte - Gastonia - Rock Hill	1140.3	+6.4%
43. Salt Lake - Ogden	1139.5	+8.3%
44. Hartford - New Britain - Middletowm - Bristol, CT	1126.5	+2.6%
45. Oklahoma City	1081.0	+8.9%
46. Monmouth - Ocean, NJ	1033.1	+7.9%
47. Orlando, FL	1031.4	+14.7%
48. Rochester, NY	1005.4	+1.3%
49. Nashville, TN	995.8	+6.3%
50. Middlesex - Somerset - Hunterdon, NJ	983.6	+4.0%

Source: Sales and Marketing Management's Survey of Buying Power - Part II

IDS
FINANCIAL MARKET
MARKETING PLAN
1988 - 1989

PREPARED BY:
JAMES A. NELSON
MARKET MANAGER

AUGUST 1, 1988

Contents..... Page

SITUATION ANALYSIS..... 1
1987 SALES VOLUME - FINANCIAL MARKET
DEDICATED VS. CORE FINANCIAL SALES VOLUME
1987 FINANCIAL SALES VOLUME BY MAJOR SIC GROUP
1987 FIGURES FOR 1099 SALES..... 2
1987 FINANCIAL SALES VOLUME BY MAJOR SIC GROUP MINUS 1099 VOLUME
EXTERNAL ANALYSIS
MARKET SIZE
CALCULATION OF MINIMUM MARKET POTENTIAL FOR FINANCIAL..... 3
CALCULATION OF MAXIMUM MARKET POTENTIAL FOR FINANCIAL..... 4
EXTERNAL FACTORS
MARKET CONDITIONS
DEREGULATION
MARKET PARTICIPATION..... 5
CUSTOMER SIZE
GEOGRAPHY
ECONOMIC..... 7
GOVERNMENT..... 8
TECHNOLOGY..... 9
CUSTOMER NEEDS
COMMUNICATING WITH CUSTOMERS
CUSTOMER DATA
DATA GATHERING..... 10
DATA MANIPULATION
DATA PROCESSING
DATA DISTRIBUTION
DATA LOOP
COMPETITION
IN-HOUSE
LOCAL/REGIONAL..... 11
REMOTE SITE
INTERNAL ANALYSIS
ORGANIZATION
FINANCE
STRENGTHS
WEAKNESSES
SALES..... 12
STRENGTHS
WEAKNESSES
MANUFACTURING
STRENGTHS..... 13
WEAKNESSES

RESEARCH..... 13
STRENGTHS
WEAKNESSES
MARKETING
STRENGTHS
WEAKNESSES

MARKETING STRATEGIES
OBJECTIVES FOR 1988..... 14
OBJECTIVE #1
OBJECTIVE #2..... 15
OBJECTIVE #3
OBJECTIVE #4
OBJECTIVE #5..... 16
OBJECTIVE #6
OBJECTIVES FOR 1989
OBJECTIVE #1
OBJECTIVE #2
OBJECTIVE #3..... 17
OBJECTIVE #4..... 18
OBJECTIVE #5
OBJECTIVE #6
OBJECTIVE #7
BUDGETING AND STAFFING..... 19
EXPLANATORY NOTES..... 20

APPENDICES..... I
APPENDIX A: MARKET SHARE BY MAJOR SIC BASED ON MINIMUM POTENTIAL OF $592,744,089
APPENDIX B: MARKET SHARE BY MAJOR SIC BASED ON 1987 IDS TOTAL SALES OF $51,546,000
APPENDIX C: 1987 1099 MARKET SHARE BY MAJOR SIC BASED ON IDS TOTAL SALES OF $2,800,676..... II
APPENDIX D: PROJECTED SALES VOLUME FOR FIVE MAJOR SIC FOR 1989 BASED ON 70% INCREASE
APPENDIX E: PROJECTED 1099 SALES VOLUME BASED ON 45% INCREASE..... III
APPENDIX F: PROJECTED SALES INCREASES FOR FINANCIAL SIC GROUPS & 1099s

SUMMARY

The financial market segment is a major contributor to the growth of IDS, with 1987 sales of $7,417,281 which contributes 14.4% of total IDS sales volume. A total of 1,127 orders were split almost evenly between Core and Dedicated sales forces.

The even split is due to the predominence of 1099 orders in the financial sales volume, amounting to approximately $2,800,676 in 1987.

This highlights the growth potential within the financial market segment for non-1099 volume. Market potential for this segment is estimated to be $592,744,089 to $1,681,436,160.

Major components within the financial market consist of:

banking
savings & loans
credit unions
brokerage firms
finance companies
mortgage servicers
shareholder services

Growth within various of these components can best be effected during 1989 with the following objectives:

- optimize existing excess capacity to increase market share among the financial market segments
- increase IDS sales in the five major SIC groups, exclusive of 1099 volume, by 70% over 1987 sales volume and increase sales in the balance of the financial market, exclusive of 1099 volume, by 35%.
- establish most efficient production of 1099s to support an increase in sales of 45%, in order to gain a 10% market share by the end of 1989.
- establish IDS as a servicer in the proxy market with a minimum of $750,000 in sales by the end of 1989.
- position IDS as a provider of dividend check mailins and services and generate a minimum of four orders, by the end of 1989.
- evaluate the savings and loan and credit union markets in order to position IDS in selected application niches, by the end of 1989.
- establish an advertising program for the financial market and have it operational by mid 1989.

- IDS MARKET PLAN - FINANCIAL -

Situation analysis

The financial market segment has been a strong part of the growth of IDS and as of 1987 contributed 20.9% of the volume sold by the dedicated sales force and 11.2% of the volume sold by core.

The sales performance for 1987 is shown below:

1987 Sales Volume - Financial Market:

$7,417,281	1,127 orders

14.4% of total IDS sales volume and 1.2% market share
$6,581 average order size

Dedicated vs. Core Financial Sales Volume:

$3,585,228	Dedicated volume
$3,832,054	Core volume

1987 Financial Sales Volume By Major SIC Group

6021	National Commercial Banks	$2,726,920
6022	State Commercial Banks	$ 937,329
6029	Commercial Banks	$ 1,052
6036	Non-Federal Savings Institutions	$ 301,016
	Banking	$3,966,317
6141	Personal Credit Institutions	$ 390,292
6162	Mortgage Brokers	$ 252,628
6211	Security Brokers	$ 106,819
6282	Investment Advice	$ 368,213
		$5,084,269

A major factor that must be considered within the financial market segment is the IDS 1099 program.

1987 Figures for 1099 Sales:

Total market of 1099s mailed:	582,000,000
IDS 1099's mailed:	38,464,835
IDS % of Market Share:	7%

Of more importance is the impact of 1099 sales volume on sales volume for the financial market. The figures shown on the previous page include 1099 sales volume and when that volume is backed out, sales figures for the financial market are:

1987 Financial Sales Volume By Major SIC Group w/o 1099s

		With 1099s	1099 Volume*	Without 1099s
60xx	Banking	$3,966,317	$2,184,527	$1,781,790
6141	Personal Credit Institutions	$ 390,292	$ 224,054	$ 166,238
6162	Mortgage Brokers	$ 252,628	$ 140,034	$ 112,594
6211	Security Brokers	$ 106,819	$ 56,014	$ 50,805
6282	Investment Advice	$ 368,213	$ 196,047	$ 172,166
		$5,084,269	$2,800,676	$2,283,593

***approximates due to method of gathering totals**

This points out the benefits of IDS programs aimed at market niches as well as the enormous potential in the IDS Financial Market segment.

A. External Analysis

1. Market Size

Available market statistics do not easily relate to IDS products and services. However, with the assumptions noted, it is possible to arrive

at figures that show the range possible for the financial market. For example, to arrive at a minimum market potential:

ASSUMPTIONS:

1. that the average order size of $6,581 is "typical"
2. that each company per SIC would purchase from IDS
3. that only these five SICs are used -
   - 60xx banking
   - 6141 personal credit institutions
   - 6162 mortgage brokers
   - 6211 security brokers
   - 6282 investment advice

CALCULATION OF MINIMUM MARKET POTENTIAL FOR FINANCIAL:

(number of customers/SIC X average order size = market potential)

60xx	$114,792,383
6141	180,464,182
6162	61,315,177
6211	87,974,808
6282	74,700,931

$592,744,089 MINIMUM MARKET POTENTIAL

In order to arrive at a maximum market potential:

ASSUMPTIONS:

1. that product potential for SIC 60xx banking only will be used
2. that service potential will be based on the value of the following SICs -
   - 7371 computer programming services
   - 7373 computer integrated systems design
   - 7374 computer processing and data preparation
   - 7375 information retrieval services
   - 7379 computer related services
   - 7389 business services
3. that Moore's market share is traditionally 20%
4. that IDS Financial's share of total volume remains at 14.4%

CALCULATION OF MAXIMUM MARKET POTENTIAL FOR FINANCIAL:

(computer related services
+banking product potential
total services/product potential X MBF market share = total IDS type financial market

total IDS type financial market X IDS financial share = maximum market potential for financial

$57,373,200,000
+1,010,000,000
$58,383,200,000 X 20% = $11,676,640,000

$11,676,640,000 X 14.4% = $1,681,436,160

$1,681,436,160 MAXIMUM MARKET POTENTIAL

The point to be made when considering market potential for any IDS segment is that the only "industry figures" available to work with are our own historical figures, for *we are the industry.*

$592,744,089 **MINIMUM** MARKET POTENTIAL

$1,681,436,160 **MAXIMUM** MARKET POTENTIAL

It is also apparent that there is a great deal of growth potential for IDS in the financial market segment.

2. External Factors

There are several influencing factors involved with the financial segment. These include market conditions, customer needs and competition.

Market conditions

Deregulation of the financial marketplace has vastly influenced this group of customers and will continue to do so. Strong competition has lead to a blurring of traditional functions along with heavier reliance on marketing. The industry is reshaping itself and rebirth will continue well into the next five years.

Market participation by the various players in the financial field has and continues to change because of deregulation. Where institutions were formerly held to specific markets by regulation, that is not true any longer. As both federal and state regulations continue to change there will be more and more adjustment by financial institutions.

Current market segments are:

- banking (SIC 60xx)
- finance companies (SIC 6141 personal credit institutions)
- brokerage firms (SIC 6282 investment advice)
- mortgage servicing companies (SIC 6162 mortgage brokers)
- shareholder services (SIC 6211 security brokers)
- savings and loans
- credit unions.

Customer size will play an ever more important role in targeting financial customers. Financial institutions will become national or super regional competitiors - as can be seen currently by the strength of the super regional banks - or institutions doing niche marketing. A small percentage of institutions usually control specific markets. For example:

Industry	Establishments Total	Establishments Large	Shipments/ Receipts ($Mil.)	% in Large Estab.
State commercial banks	6,o50	489	83,098.2	49
Nonfederal savings institutions	17,443	274	106,674.2	35
National commercial banks	4,515	843	118,807.1	78
Mortgage brokers	9,317	96	11,846.1	59
Personal credit institutions	27,422	86	41,624.6	39

Taken from Sales & Marketing Management/April 25, 1988

Geography plays a role in this market for two reasons. First, the traditional "financial centers" still play important roles in this

market. A representation of the top ten institutions in various functional areas illustrates this:

Top ten savings & loan companies (1-4 family dwellings)

1.	Great Western Bank	Beverly Hills	CA
2.	Home Savings of America	Los Angeles	CA
3.	California Federal Saving & Loan	Los Angeles	CA
4.	Glendale FS&L	Glendale	CA
5.	First Nationwide Bank	San Francisco	CA
6.	World Savings & Loan	Oakland	CA
7.	The Dime Savings Bank of NY	Garden City	NY
8.	American Savings & Loan	Stockton	CA
9.	Home FS&L	San Diego	CA
10.	City Federal Savings Bank	Bedminster	NJ

Source: The Sheshunoff Savings & Loan Annual

Top ten mortgage servicers in the US (based on volume of permanent mortgages serviced as of December 31, 1985)

1.	GMAC Mortgage Company	Philadelphia	PA	
2.	Lomas & Nettleton Financial Corporation	Dallas	TX	
3.	Manufacturers Hanover Mortgage Corporation	Farmington Hills	MI*	*purchased in 1986 by Firemans Fund Corp.
4.	Citicorp Homeowners Services, Incorporated	Saint Louis	MO	
5.	Metmor Financial, Inc.	Los Angeles	CA	
6.	Weyerhaeuser Mortgage Co.	Los Angeles	CA	
7.	Commonwealth Mortgage Co.	Houston	TX	
8.	First Interstate Mortgage Co.	Pasadena	CA	
9.	Cameron-Brown Company	Charlotte	NC	
10.	Fleet Mortgage Corporation	Milwaukee	WS	

Source: American Banker, May 5, 1986

Top ten finance companies in the US (by size of capital funds December 31, 1985 or nearest fiscal year-end)

1.	General Motors Acceptance Corporation	Detroit	MI
2.	Ford Motor Credit Company	Dearborn	MI
3.	Chrysler Financial Corp.	Troy	MI
4.	General Electric Credit Corp.	Stamford	CT
5.	Sears Roebuck Acceptance Corporation	Wilmington	DE
6.	C.I.T. Financial Corporation	Livingston	NJ
7.	Associates Corporation of North America	Dallas	TX
8.	Household Financial Services	Northbrook	IL
9.	ITT Financial Corporation	Saint Louis	MO
10.	Avco Financial Services, Inc.	Newport Beach	CA

Source: American Banker, June 13, 1986.

Top ten of the "100 Largest US Banks"

1.	Citibank, NA	New York	NY
2.	Bank of America Nat. Tr. & Sa.	San Francisco	CA
3.	Chase Manhattan Bank NA	New York	NY
4.	Morgan Guaranty Tr. Co. of NY	New York	NY
5.	Chemical Bank	New York	NY
6.	Manufacturers Hanover Tr. Co.	New York	NY
7.	Bankers Trust Company	New York	NY
8.	Security Pacific NB	Los Angeles	CA
9.	Wells Fargo Bank NA	San Francisco	CA
10.	First National Bank of Chicago	Chicago	IL

Source: The Sheshunoff Bank Quarterly, Annual

Top ten credit card portfolios at banks

1.	Citibank, South Dakota NA	Sioux Falls	SD
2.	Chase Manhattan Bank (USA) NA	Wilmington	DE
3.	Bank of America Nat. Tr. & Sa.	San Francisco	CA
4.	Citibank (Nevada) NA	Las Vegas	NV
5.	First National Bank of Chicago	Chicago	IL
6.	Wells Fargo Bank NA	San Francisco	CA
7.	Manufacturers Hanover Tr. Co.	New York	NY
8.	Greenwood Trust Company	Newcastle	DE
9.	Maryland Bank NA	Newark	DE
10.	FCC NB	Wilmington	DE

Source: The Sheshunoff Bank Annual

Secondly, the reflection of demographic changes in geographic population centers will be an important influence on the financial market. As geographic centers of wealth and/or population density shift, the financial market will have to adapt.

Economic influences present very uncertain times for the financial market for the next one to five years. The banking segment is faced with increasing competition, a continuing squeeze on earnings and declining deposit levels. Savings and loans, in particular in the Southwest, are looking at severe problems due to declining real estate values. The housing market, according to some industry experts, has peaked and demand will begin to fall. The brokerage market, which attracted huge sums of investment monies, faces uncertaintity in the light of possible inflation, while personal consumption levels remain a major question mark for 1988 and beyond. Specific issues facing institutions in the financial market include:

BANKING faces a variety of issues, depending upon the type of institution:

SAVINGS BANKS: loss of deposits to higher yield mutual or money

market funds; legislated limits on the types of services that can be offered
RETAIL BANKS: stagnation due to the same reasons shown for savings banks, coupled with a lack of skills in merchandising
COMMERCIAL BANKS: problems with bad real estate portfolios along with a loss of clients to alternate sources of capital
MONEY CENTER BANKS: major problems with third world debt and capitalization squeezes as write-off contingency funds increase
SUPER REGIONALS: probably the best positioned of the group, but faced with new competition should interstate banking laws change, as well as problems in avoiding the image of "heavy" as they take over local banks.

SAVINGS & LOANS face the dual problems of poor real estate loans in some areas as well as a loss of depositors to more attractive investments.

CREDIT UNIONS are a bright spot in the financial market and are beginning to take on new muscle with the formation of super credit unions such as the one recently formed for *The American Associatiion of Retired Persons (AARP).*

BROKERAGE FIRMS are still assessing the overall damage from the *"Crash of '87"*, while looking at the impact of possible inflation. The industry remains very paper intensive for consumer communication needs.

FINANCE COMPANIES could present a major opportunity for IDS if it proves feasible to provide a product/service that ensures more effective cash management of their installment loan processing.

MORTGAGE SERVICERS are looking at a steady or shrinking market, where delinquency and default rates are creeping upward, which could mean major problems, considering the millions of mortgages in existence.

SHAREHOLDER SERVICES has become even more active with todays climate of mergers and takeovers. Proxy mailings are becoming more and more common as both current management and those who want to be management communicate with shareholders.

Government deregulation continues to be a most significant factor in the financial market. Existing government regulation has spawned any number of "loophole" sytled organizations to avoid restrictive regulations - most noticeably bank holding companies. Further deregulation and the opening of the financial market to national competitors will have a major impact. Government policy regarding endangered or insolvent financial institutions - primarily in the savings and loan field - will have a widely felt impact on the economy as a whole.

Technology is allowing major changes in the operational side of the financial market. To a degree, the same is true of the public side, as is exemplified by ATMs and at-home banking. However, the public has been reluctant to widely adopt such technologies. Any style of direct, electronic link between financial institutions and their customers poses a major threat to present IDS capabilities.

As in-house printing systems become more sophisticated and available, larger customers may attempt to produce mailing products in-house. This makes the service aspect of IDS's offering even more vital. Smaller customers will continue to rely on IDS for out-of-house mailing products and services.

Customer Needs

Two areas stand out as influencing factors in dealing with IDS customer needs: communicating with customers and dealing with customer data.

> Communicating with customers is a major requirement in the IDS arena. Indicators of this include the large customer service departments in existence at competitors such as AmericanTransTech, FDR, etc. along with the importance of public (trade show attendance, association membership, etc.) and private (personal contacts) information channels. It is essential to know who customers are and what they want.
>
> Customer data and the handling of it presents a major challenge for IDS in the financial market. Handling or processing customer data is a *service,* while most of IDS's current market offering consists of *products.* In the banking market alone, the ratio of potential sales of services versus products is a ratio of **57 to 1!**
>
> | | |
> |---|---|
> | computer related services | $57,373,200,000 |
> | forms | 1,010,000,000 |
>
> IDS needs to address the following areas within data services as a necessary part of any financial market offering:

DATA GATHERING means the method whereby working data is obtained from a customer. Evaluation of this need should be as specific as establishing criteria for creating data gathering systems unique to a single customer or customer network. There should also be an understanding of the most efficient way of gathering data from nationally dispersed customers.

DATA MANIPULATION involves determing how much manipulation, or movement, of data is necessary to meet customer needs. For example, what is the most efficient method of repeating certain information throughout a mail piece; or how much matching, merging and table choice can be done effectively. It is also necessary to determine a marketable pricing structure for such services.

DATA PROCESSING is using data given IDS by a customer to produce new data for that customer It is a service area within which IDS needs to quickly take action. IDS must have the data processing capability to understand, evaluate, question and offer suggestions, if not actually correct, customer input.

DATA DISTRIBUTION is the handling and forwarding of customer information. This includes the understanding of how best to move data internally, as well as the ability to relay data back to a customer if necessary. It is the converse of data gathering, and it allows the existence of a

DATA LOOP, terminology coined for the use of this plan, describes all steps necessary to convert a customer's raw data given to IDS into information properly distributed. It implies a thorough enough understanding of our customer's operations and needs so that IDS can provide the most effective and efficient system for sharing data. This loop is a critical stage in creating partnering situations with customers.

The issue of meeting customer needs is of vital importance to IDS because quality service provides differentiation and market opportunity. Providing quality service impacts on every aspect of IDS's performance and requires basic changes away from existing forms industry mentality.

Competition

The financial market functions in a manner that allows grouping competitors into three main catagories, which are:

- **in-house**, where the primary communication document is prepared in-house even though the mail piece may be assembled and processed out of house

- **local/regional**, meaning those competitors capable of doing all of the mailing themselves or even subcontracting part of it, from a location near enough to the client to allow easy in-person communication
- **remote site**, meaning a competitor with local sales representation but with manufacturing/processing sites that are far enough removed that in-person contact is not easy. Until IDS, remote site competitors - like First Data Resources - usually offered generic application solutions - such as bank card statement processing.

The reason for grouping competitors by location, rather than by conventional methods, is that dependable service is traditionally a key factor within the financial market. This market is used to dealing with a local supplier who can react to scheduling delays, changes in content or any other problems and still provide quality, timely service.

IDS's successes to date reflect that traditional thinking. That is, standard or generic mailings - such as 1099s - are more readily done out of house. Mailings that are percieved as being more important - such as monthly billing - are more difficult to move out of house.

Meeting this need for dependable service is one of the most important requirements for IDS's penetration into the financial market and will impact most, if not all, marketing strategies.

B. Internal Analysis

1. Organization

Currently the entire IDS organization is undergoing study and evaluation. The assumption of this plan is that the study will result in a distinct IDS unit of some type; with a sole leader, responsible for all IDS activity. The financial market has needs that impact the organizational structure of each of the major functional areas within IDS:

FINANCE
The criteria used to budget, measure and track IDS's financial performance should be based on the fact that IDS is a new, start-up organization. The profit levels, burden and

traditional pricing structure should not be used with IDS. The flexibility of market pricing will be necessary with some accounts and the current concept of "overage" will have to be accomodated within normal pricing. Issues such as allowing for capacity level adjustments will also have to be addressed.

STRENGTHS - The financial backing of the USBFD provides a distinct advantage. Experience at determing cost components is useful.
WEAKNESSES - The use of USBFD margins for IDS products and services creates market disadvantages. Inability to respond quickly and specifically to special market pricing needs is also a hinderance.

SALES

Identified financial accounts should be handled by a dedicated IDS sales representative. IDS services should include direct data link-up; on site and in-house representation; or coverage by another representative or a special handling geared to specific marketing programs.

Standard, national programs - such as 1099's - should be made availabe to all sales representatives, dedicated and core. They should also be administered and supported by the involved manufacturing facilities, with Marketing participating in a steering committee.

STRENGTHS - Name recognition and acceptance, along with coverage, provide distinct market advantages. Existing relationships with major customers within market segments provides easier access for IDS. Basic selling skills and a desire to sell to the IDS market also provide advantages. Continual sales growth has been evident and is indicative of future potential.
WEAKNESSES - Weak definition of the responsibilities of the dedicated sales representatives and the specialists, coupled with inconsistent assignment of accounts to the dedicated sales districts presents a major problem. Sales support is also inadequate.

MANUFACTURING

Rather than being called "manufacturing", which implies making a tangible product, they should be "production" and "produce" those products and services required by customers with whom they have a close working relationship.
That "close working relationship" is a key element within the financial market. IDS facilities have to stop relying on using the sales representative as a buffer between themselves and customers. They must take responsibility for their performance, directly with customers! IDS must develop a method whereby production can understand, interpret and enhance customer instructions themselves, without having to go through a sales representative.

IDS product support work being done in Glenview should be transfered to the appropriate production facility. IDS "Product Managers" should be located within the production function. "Product management" is management done on existing products and should include enhancement of that product; assurance that existing quality levels are maintained; and the suggesting of new products to Marketing or Research.

STRENGTHS - Manufacturing has made major advancements in equipment and products. The establishment of data centers and security systems has been accomplished quickly.
WEAKNESSES - The lack of a quality control program continues to create problems. The need to become service oriented is evidenced in the Customer Evaluation Study by the frequency of customer comments about lack of quality.

RESEARCH
This department should be working on projects for implementation no earlier than two years, based on input or review from marketing. Activities such as "Market" Research or "Product Development" should be turned over to the responsible function - Marketing or Production. There must be study of services as well as products. It is the task of Research to provide innovations as they become necessary and available.

STRENGTHS - Research provides IDS a resource not available to most competitors. They have the expertise and resources to provide proprietary solutions to market needs.
WEAKNESSES - Historically, Research has often offered solutions to questions they have developed internally, rather than in response to market needs. It is necessary for marketing to provide more direction to Research's efforts. There are also times when anwers must be available within very short periods of time.

MARKETING
The primary task of IDS Marketing should be to provide enough information about customers to allow all the other functions to operate the most efficiently and profitably. In order to best accomplish that charge, marketing must be able to find, understand, educate and continually satisfy customers! The development of strategic plans for the financial market shows the need for adequate resources to accomplish such tasks.

STRENGTHS - Marketing has begun the transition from field support to market driven efforts. There have been a number of successful marketing programs introduced and a uniform maket approach is developing. A market data base has been introduced.
WEAKNESSES - Organizational changes are necessary to allow the focus and authority necessary to successfully address marketing issues. Additional resources - especially staff - are necessary to meet planning requirements.

2. Marketing Strategies

The financial market has to be approached as several segments in order to plan adequately. The reason for doing this is primarily due to differing government regulations which traditionally allow financial institutions

access to certain market opportunities and only to those opportunities. It becomes apparent also that applications that seem to cross historical markets - such as billing or 1099s - are usually unique in some way to each market.

For example with 1099s, the banking and personal finance markets require a 1099 for reporting interest paid by the taxpayer. Yet the brokerage market requires that their 1099B accomodate information about trading activity for the year. The product and service solution for each of these applications varies by market.

Therefore, marketing strategies are required for each market segment. The market segments defined within the financial market include:

Banking (SIC 60xx)
Personal Credit Institutions (SIC 6141)
Mortgage Brokers (SIC 6162)
Security Brokers (SIC 6211)
Investment Advice (SIC 6282)
Savings & Loans (SIC 6036)
Credit Unions (SIC 6062)

A. Objectives for 1988

Objectives for the remainder of 1988 are study/research oriented and are therefore broken out of the overall 1988 - 1993 growth oriented objectives.

Objective #1: To prepare and distribute a Schedule 1065 K-1 package to the dedicated and core sales representatives, by the end of the third quarter.

Strategy: Provide the sales force with targeting information designed to locate high probability mailers of K-1s.

Action Requirements:

1. obtain listing of current limited partnerships for real estate, oil and gas, airplanes.
2. screen for characteristics indicative of:
    a. quantity of K-1s mailed
    b. current method of preparation
3. prepare findings for sales field use and distribute

Objective #2: To establish a minimum of two on-site testing sites for monthly mortgage billing, by the end of the year.

Strategy: Locate minimum of eight potential companies for on-site testing and conduct program testing at a minimum of two of them.

Action Requirements:
1. evaluate results of joint study with Lomas & Nettleton and prepare an on-site testing program
2. screen industry listings, customer base and sales field for potential companies for on-site testing
3. select minimum of two companies for on-site testing of monthly billing program
4. conduct testing in preparation for evaluation in 1989

Objective #3: To establish a minimum of one site using the front end envelope product, by the end of the year.

Strategy: Locate minimum of four potential companies for using the front end envelope product and intiate use at a minimum of one of them.

Action Requirements:
1. evaluate results of test program being conducted at Chrysler
2. cross match test program results with industry profiles and determine whether guidelines exist for locating potential users
3. prepare listing of potential users from guidelines and evaluate which four are most beneficial to contact
4. secure use of front end envelope product at minimum of one user

Objective #4: To conduct an in-depth study of the banking market segment, aimed at identifying, quantifying and evaluating potential IDS market niches, by the end of the year.

Strategy: Define major components of the banking market and obtain pertinent market information for conducting the study.

Action Requirements:
1. utilize the IDS data base for historical information on this market segment
2. review available market information
3. conduct customer focus group for market input
4. identify each component and quantify its potential

Objective #5: Determine staffing requirements for meeting 1989 objectives.

Strategy: Utilize project management programs to determine number of hours and personnel necessary to complete desired objectives.

Action requirements:
1. confirm 1989 objectives with management
2. plot each objectives time and staffing needs
3. evaluate results and maximize efforts

Objective #6: To be prepared for market demand based upon changes in compliance requirements in the financial market, by the beginning of 1989.

Strategy: Establish a procedure for insuring awareness of compliance opportunities.

Action requirements:
1. evaluate need for staff position unique to the needs of the financial market
2. evaluate use of outside consultant
3. choose optimum solution and implement

B. OBJECTIVES FOR 1989

Objective #1: Optimize existing excess capacity to increase market share among the financial market segments.

Strategy: Determine current capacity levels and relate them to those market segments with the greatest market share increase potential, by the end of first quarter 1989.

Action requirements:
1. obtain current capacity level information
2. rank market segments according to growth potential
3. determine equipment needs for market segments
4. rank growth potential against equipment needs
5. review marketing plans against these findings

Objective #2: Increase IDS sales in the five major SIC groups, exclusive of 1099 volume, by 70% over 1987 sales volume and increase sales in the balance of the financial market, exclusive of 1099 volume, by 35%.

Strategy 1: Prepare and release a marketing plan for monthly billing, by the end of first quarter 1989.

Action requirements:
1. utilize results of 1988 program to select major users for partnering opportunities
2. determine components of 1988 program that can be mass marketed
3. prepare a maketing plan based on the findings in item #2

Strategy 2: Prepare and release a marketing plan for the front end envelope product, by the end of the second quarter 1989.

Action requirements:
1. utilize results of 1988 program to select major users for partnering opportunities
2. determine components of 1988 program that can be mass marketed
3. prepare a maketing plan based on the findings in item #2

Objective #3: Establish most efficient production of 1099s to support an increase in sales of 45%, in order to gain a 10% market share by the end of 1989.

Strategy 1: Examine optimum equipment and facility needs for cyclical 1099 volume, in order to avoid jeopardizing repetitive IDS financial volume.

Action requirements:
1. determine availability of backup and excess capacity equipment for use in producing 1099s
2. evaluate use of temporary equipment and staff during production of 1099s
3. determine level of market share that presents the best return for an IDS 1099 program

Strategy 2: Prepare a 1099 program with as wide a market appeal as possible, which includes the simplest data submission available.

Action requirements:
1. evaluate including additional formats in 1099 offering
2. determine data submission options and select one with the widest possible customer use
3. determine appropriate trade journals and implement a national advertising campaign

Objective #4: Establish IDS as a servicer in the proxy market with a minimum of $750,000 in sales by the end of 1989.

Strategy: Introduce an IDS proxy program through trade show attendance and attendance at industry meetings.

Action requirements:
1. begin full scale introduction of a proxy program during the first quarter of 1989 with advertising and trade show attendance
2. determine qualifications of likely customers and distribute to the dedicated sales force

Objective #5: Position IDS as a provider of dividend check mailings and services and generate a minimum of four orders, by the end of 1989.

Action requirements:
1. evaluate results from Research with improved MICR toner versus existing technology
2. choose most reliable production method and produce test forms for market testing with targeted accounts
3. prepare promotional material for use with targeted accounts and by the dedicated sales force
4. select minimum of twelve accounts for IDS dividend check presentation, in order to obtain minimum of four orders

Objective #6: Evaluate the savings and loan and credit union markets in order to position IDS in selected application niches, by the end of 1989.

Action requirements:
1. gather industry data for both savings and loan and credit union markets
2. evaluate possible market niches and their potential return
3. choose appropriate niches and prepare market introduction and program for them
4. distribute program(s) to the dedicated and core sales force

Objective #7: Establish an advertising program for the financial market and have it operational by mid 1989.

Strategy: Choose most effective advertising channel for banking, mortgage servicing, personal credit institutions and brokerage.

Action requirements:
1. work with Corporate Communications to evaluate advertising channels and choose most effective

2. work with either Corporate Communications or outside agency to prepare advertising program
3. include trade show exhibits in preparation of program
    a. Mortgage Bankers Association
    b. ABA Card Services Show
    c. ABA National Retail Banking Show
    d. American Bankers Association Annual Show
    e. Financial Institutions Marketing Association Annual Show
    f. Corporate Transfer Agents Association Annual Vendors Show
    g. ABA National Operations & Automation Conference
4. introduce program

C. BUDGETING AND STAFFING

Budgeting and staffing requirements are essential for the successful achievement of these objectives. The following information supports the objectives listed for 1989.

	FIRST QUARTER 1989	SECOND QUARTER 1989	THIRD QUARTER 1989	FOURTH QUARTER 1989
ADVERTISING$_1$	$9,000	$9,000	$9,000	$3,000
TRADE SHOWS$_2$	$6,300	$4,000	$3,200	$6,300
INDUSTRY CONFERENCES	$2,600	$1,300	$1,300	$2,600
ASSOCIATION MEMBERSHIP$_3$	$ 500	-	$ 500	-
PROMOTIONAL MATERIAL$_4$	$22,500	$25,000	$7,500	$15,000
CUSTOMER FOCUS GROUPS$_5$	$20,000	-	$20,000	-
TRAVEL$_6$	$3,000	$3,000	$3,000	$3,000
STAFFING$_7$	3	3	-	1
TOTALS	**$63,900**	**$42,300**	**$44,500**	**$29,900**

EXPLANATORY NOTES:

1. Advertising expenses are based on average cost of $3,000 for a full page black and white advertisement.
2. Trade show expenses are based on an average historical cost per show of $3,200, which includes equipment costs (booth, supplies, freight, etc.), booth space and travel expenses.
   Industry conference costs are based on an average historical cost for attending a conference of $1,300.
3. Represents costs for membership in Mortgage Bankers Association and Financial Institutes Marketing Association.
4. These expenses are based on an average cost of $7,500 per program for promotional materials.
5. Expenses are estimated at $10,000 per group of eight customers for each focus group.
6. Based on average travel expense of $1,000 per trip.
7. Staffing requirements reflect number of additional staff necessary for implementation of objectives shown. These requirements include the following positions to support the programs indicated:

FIRST QUARTER:	1 "System Specialist" (Monthly Billing research) (Proxy research) (Compliance tracking research) 2 "Program Support Specialists" (Monthly Billing Program) (Proxy Program)
SECOND QUARTER:	1 "System Specialist" (Front End Envelope research) (Dividend Check research) 2 "Program Support Specialists" (Front End Envelope Program) (Dividend Check Program)
THIRD QUARTER:	-
FOURTH QUARTER:	1 "Program Support Specialist" (Savings & Loan market research) (Credit Union market research)

The total of the costs shown - $180,600 - equals 2% of total 1987 sales volume for the financial market. The total does not include any salaries for staff additions.

APPENDIX A: MARKET SHARE BY MAJOR SIC BASED ON MINIMUM POTENTIAL OF $592,744,089

		With 1099s	Market Share	Without 1099s	Market Share
60xx	Banking	$3,966,317	.6%	$ 1,781,790	.3%
6141	Personal Credit Institutions	$ 390,292	.06%	$ 166,238	.03%
6162	Mortgage Brokers	$ 252,628	.04%	$ 112,594	.02%
6211	Security Brokers	$ 106,819	.02%	$ 50,805	.01%
6282	Investment Advice	$ 368,213	.06%	$ 172,166	.03%
		$5,084,269		$2,283,593	

APPENDIX B: MARKET SHARE BY MAJOR SIC BASED ON 1987 IDS TOTAL SALES OF $51,546,000

		With 1099s	Market Share	Without 1099s	Market Share
60xx	Banking	$3,966,317	8.7%	$1,781,790	3.4%
6141	Personal Credit Institutions	$ 390,292	.8%	$ 166,238	.3%
6162	Mortgage Brokers	$ 252,628	.5%	$ 112,594	.2%
6211	Security Brokers	$ 106,819	.2%	$ 50,805	.1%
6282	Investment Advice	$ 368,213	.7%	$ 172,166	.3%
		$5,084,269		$2,283,593	

APPENDIX C: 1987 1099 MARKET SHARE BY MAJOR SIC BASED ON IDS TOTAL SALES OF $2,800,676*

		1099 VOLUME*	MARKET SHARE OF TOTAL IDS 1099 SALES
60xx	Banking	$2,184,527	78%
6141	Personal Credit Institutions	$ 224,054	8%
6162	Mortgage Brokers	$ 140,034	5%
6211	Security Brokers	$ 56,014	2%
6282	Investment Advice	$ 196,047	7%
		$2,800,676	

*approximates due to method of gathering totals

APPENDIX D: PROJECTED SALES VOLUME FOR FIVE MAJOR SIC FOR 1989 BASED ON 70% INCREASE

MAJOR SIC GROUPS		1987 VOLUME	1989 INCREASE
60xx	Banking	$ 651,317	
6141	Personal Credit Institutions	$ 51,292	
6162	Mortgage Brokers	$ 40,128	
6211	Security Brokers	$ 21,819	
6282	Investment Advice	$ 70,713	
		$2,283,593	$1,598,515

APPENDIX E: PROJECTED 1099 SALES VOLUME BASED ON 45% INCREASE

		1987 1099 VOLUME*	1989 INCREASE
60xx	Banking	$2,184,527	
6141	Personal Credit Institutions	$ 224,054	
6162	Mortgage Brokers	$ 140,034	
6211	Security Brokers	$ 56,014	
6282	Investment Advice	$ 196,047	
		$2,800,676	$1,260,304

***approximates due to method of gathering totals**

APPENDIX F: PROJECTED SALES INCREASES FOR FINANCIAL SIC GROUPS & 1099s

INCREASED IDS VOLUME FOR MAJOR SIC GROUPS:	$1,598,515
INCREASED IDS VOLUME FOR REMAINDER OF SICs:	1,816,554
INCREASED 1099 VOLUME:	1,260,304
FINANCIAL MARKET INCREMENTAL INCREASE:	**$4,675,373**
FINANCIAL MARKET SALES 1989:	**$11,842,654**

INFORMATION DISTRIBUTION SERVICES

VERTICAL MARKET PLAN
EDUCATION

AUGUST, 1988

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TABLE OF CONTENTS

		PAGE
I.	EXECUTIVE SUMMARY	1
II.	PURPOSE	1
III.	INTRODUCTION	2
	A. Information Distribution Services	2
	B. Company Situation	4
	C. Education	6
IV.	SITUATION ANALYSIS	7
	A. Market Situation	7
	1. Market Definition	7
	2. Market Trends and Requirements	10
	3. Market Potential	12
	B. Customer Situation	13
	1. IDS 1987 Academic Customers	1
	2. Customer Attitudes	2
	3. Target Market	3
	C. Product Situation	16
	1. Product	16
	a. Mix	16
	b. Applications	17
	2. Pricing/Profitability	2
	3. Distribution	20
	4. Promotion	21
	D. Competitive Analysis	22
V.	STRENGTHS AND WEAKNESSES	35
	A. IDS Strengths	35
	B. IDS Weaknesses	36
	C. IDS and the Academic Marketplace - Strengths	38
	D. IDS and the Academic Marketplace - Weaknesses	38

TABLE OF CONTENTS
(Continued)

		PAGE
VI.	KEY ISSUES/OPPORTUNITIES	40
	A. Alumni Development and Communication Mailings	40
	B. Student Recruitment Services	40
	C. Student Services	41
VII.	MARKETING OBJECTIVES, STRATEGIES	41
VIII.	TOTAL BUDGET	57
IX.	FORECAST (1988-1991)	55
X.	EXHIBITS	56

TABLES

		PAGE
1	PRODUCT LIFE CYCLE - TABLE 1	4
2	PRODUCT LIFE CYCLE FORECAST	5
3	UNITED STATES INSTITUTIONS BY AREA	7
4	INSTITUTIONAL ENROLLMENT	8
5	VOLUNTARY SUPPORT OF EDUCATION	8
6	CURRENT FUND REVENUES	9
7	CURRENT FUND EXPENDITURES	9
8	ACADEMIC MARKETPLACE - SEGMENTS	12
9	AVERAGE ACCOUNT VOLUME	13
10	MOORE CUSTOMER STUDENT ENROLLMENT	14
11	PRODUCT CODE BREAKDOWN	16
12	EDUCATION - PROFITABILITY EVALUATION	19
13	COMPETITIVE ANALYSIS	23

EXHIBITS

I RED VERTICAL PACKAGE

II CUSTOMER TITLES

III ALUMNI SURVEY PACKAGES

IV PROFITABILITY - COMPREHENSIVE

V RESPONSE GRAPHICS TRAINING PACKAGE

VI HARRIS AD

EDUCATION/ MARKET PLAN SUMMARY 1988-1989

IDS sales to the academic marketplace in 1987 were at 1.3 million. There has been very little marketing effort placed on this marketplace by Moore in the past. A conservative market potential has been established at **67 million.** This figure encompasses development mailings, alumni mailings, business office/student mailings and admission/recruitment applications.

The mailing intensive accounts are essentially higher education institutions including colleges, universities, junior and community colleges, business and professional schools and vocational schools. There are approximately 3300 higher education institutions in the U.S. and these will be the target accounts for two year marketing strategies and objectives.

Moore's past success' have been in accounts over 10,000 students, however smaller institutions should remain as key target accounts as well because of the potential alumni base. For instance, a college with 2000 students may have 40-50,000 alumni. **Target segments have been identified as Student Recruitment applications, Alumni communciations, and student service mailings.**

Academic customers often utilize the services of industry consultants. Designing mailing systems take time and a great deal of coordination to finalize an order, however it seems as though the industry is able to recognize and appreciate the value in what is often a lengthy and difficult selling cycle for the Moore representative. It represents an industry where specific vertical market expertise is definitely a requirement for a representative. It has also been obvious that once a relationship has been established that price sensitivity becomes lessened. Market programs will be designed to reduce the selling cycle and simplify the difficulty in coordination the many departments that get involved with an academic order.

The industry has begun to recognize the importance of 'information' relating to past customers (alumni) and future customers (students). The marketplace is in a movement to more sophisticated data processing systems and more competitive communications.

The marketplace knows very little about IDS. Customer input reveals that the total source concept is very valuable to their market. Moore IDS has hardly penetrated the market place. Only 87 accounts were sold IDS products in 1987. Several trends within acadamia provide many opportunities for Moore IDS in the future:

-Declining federal support to education
-competition for students among institutions has grown.
-higher education must also compete with alternative methods of education
-computer sophistication has increased dramatically within academia in the last 5 years
-tuition costs have become prohibitive
-the industry has become mailing intensive in it's attempts to communicate with it's audiences

Moore's strengths and weakness's can and will be addressed in future marketing programs:

Strengths:
-Moore's business culture is consistent with this market and Moore is able to provide the consulting and value added that is quite often required in this environment.
-The market is defineable and easily targeted. Industry information is very available because each institution does not directly compete with another.
-Moore's services appear more complete and professional than many competitors.

Weakness's:
-Moore is not known in the academic market place. Advertising and awareness campaigns will be necessary.
-Moore is seen by some academic customers as inflexible and too large to be concerned with smaller institutions. The current pricing structure may be prohibitive to the longer selling cycles required and to some of the smaller institutions.
-Moore's still has difficulty maintaining quality control in the area of Response Analysis, a major part of many education orders.

Marketing Objectives:

1. Increase Market Penetration and Market Share
2. Increase Moore's visibility in these accounts.
3. Improve Profitability in the Academic Account Sales through development of specific packaged programs.

Key opportunities and strategies:

Product:

-Alumni Development and Communication Mailings

Comminications with alumni are on-going and more prevalent than ever with rising education costs. Academic institutions accross the country are rapidly enhancing their internal data management systems, and refining information on their alumni for fund raising campaigns, student recruitment campaigns, etc.

a. Develop a formal mutual marketing program for alumni survey and directory program with Moore Data Managememt services.

b.Research and design a fundraising and development services marketing/training program.

c.Evaluate and recommend needed creative service and copywriting services for program.

-Student Recruitment Services

Enrollment is down across the United States and many "new" education choices are available to the limited number of potential students. Academic institutions have become extremely marketing oriented and sophisticated data processing techiniques are being used to establish recruitment data bases. These mailings are done at minimum twice a year, every year. Although they can be direct mail oriented, if this market is not being addressed by Response Graphics, it will represented many opportunities for IDS.

a. Research and develop program and needed enhancements (list purchase, data base maintenance etc)

-Student Services

The most appealing area that not been addressed formally is the student service area. Student services includes grade reports quarterly statements, student fee bills, vehicle registrations, loan coupons, etc. Twelve million students accross the United States receive these mailings many times every year. Competition appears to be in-house operations.

a. Research and develop potential student service application programs with the assistance of market research.

Pricing:

a. Track current customer situations and penetration vs. competitive information.

b. Utilize IDS database to track past, current and future information relating to applications, pricing levels, competition,etc.

c. Research, track and release information relating to consulting firms in marketplace and value added services provided.

Distribution:

a.Formalize recommendation to assign key target accounts to IDS representative/specialist.

b.Finalize strategy in conjuction with Resonse Graphics

c. Establish target software, consulting and telemarketing companies for potential mutual marketing programs.

Promotion:

a. Begin promotional campaigns via three major associations and their respective publications. Work with corporate communications to develop an image or theme for the academic marketplace.

b. Proceed with "image" campaign and develop a complete IDS Educational Services brochure with follow up direct mail appeal to appropriate target accounts.

c. Continue with vertical market training via IDS Newsletter and special releases.

d. Maintain membership and participation in CASE and NACUBO.

Associations:

a.Develop appropriate associations program for potential horizontal applications.

Market Research:

a. Ongoing market surveys and customer focus groups where appropriate.

Forecasts:

1987 1.3 million
1988 2.1 million
1989 4.0 million
1990 5.3 million
1991 6.7 million
1992 10.8 million
1993 13.4 million

Product:	PROJECT / COMPLETION / RELEASE 1988	1989-1	1989-2	1989-3	1989-4
-Alumni Development and Communication Mailings Comminications with alumni are on-going and more prevalent than ever with rising education costs. Academic institutions accross the country are rapidly enhancing their internal data management systems, and refining information on their alumni for fund raising campaigns, student recruitment campaigns, etc.					
a. Develop a formal mutual marketing program for alumni survey and directory program with Moore Data Management services.	X				
b.Research and design a fundraising and development services marketing/training program.		X			
c.Evaluate and recommend needed creative service and copywriting services for program.		X			
-Student Recruitment Services Enrollment is down across the United States and many "new" education choices are available to the limited number of potential students. Academic institutions have become extremely marketing oriented and sophisticated data processing techiniques are being used to establish recruitment data bases. These mailings are done at minimum twice a year, every year. Although they can be direct mail oriented, if this market is not being addressed by Response Graphics, it will represented many opportunities for IDS.					
a. Research and develop program and needed enhancements (list purchase, data base maintenance etc)			X		
-Student Services The most appealing area that not been addressed formally is the student service area. Student services includes grade reports quarterly statements, student fee bills, vehicle registrations, loan coupons, etc. Twelve million students accross the United States receive these mailings many times every year. Competition appears to be in-house operations.					
a. Research and develop potential student service application programs with the assistance of market research.		X			
Pricing:					
a. Track current customer situations and penetration vs. competitive information.				X	
b. Utilize IDS database to track past, current and future information relating to applications, pricing levels, competition,etc.				X	
c. Research, track and release information relating to consulting firms in marketplace and value added services provided.				X	
Distribution:					
a.Formalize recommendation to assign key target accounts to IDS representative/specialist.	X				
b.Finalize strategy in conjuction with Resonse Graphics	X				
c. Establish target software, consulting and telemarketing companies for potential mutual marketing programs.			X		
Promotion:					
a. Begin promotional campaigns via three major associations and their respective publications. Work with corporate communications to develop an image or theme for the academic marketplace.					X
b. Proceed with "image" campaign and develop a complete IDS Educational Services brochure with follow up direct mail appeal to appropriate target accounts.				X	
c. Continue with vertical market training via IDS Newsletter and special releases.	X	X	X	X	X
d. Maintain membership and participation in CASE and NACUBO.	X	X	X	X	X
Associations:					
a.Develop appropriate associations program for potential horizontal applications.					X
Market Research:					
a. Ongoing market surveys and customer focus groups where appropria...	X	X	X	X	X

Forecasts:

1987 1.3 million
1988 2.1 million
1989 4.0 million
1990 5.3 million
1991 6.7 million
1992 10.8 million
1993 13.4 million

I. EXECUTIVE SUMMARY

In January of 1988, the IDS Marketing Department began a vertical market focus. The education marketplace has never been targeted in any marketing endeavors in the past. Currently, Moore IDS has less than 1% of the $67 million higher education marketplace. This will be the 'target' market focus of this plan.

The education marketplace provides very good opportunities for IDS to obtain a much greater, consistent market share in a smaller market. It has been identified that academia is not aware of IDS services. Competitors are often smaller "niche" companies, and customers have verbalized the desire and need to work with full service vendors.

Because education does represent a smaller market, there are two major goals of the objectives: 1) Specific programs will be developed to enable representatives to reduce the selling cycle normally required on major IDS projects. These programs will be 'turn key' packages and represent profitable value added programs. 2) Moore-IDS will be properly positioned in the marketplace via an appropriate direct mail campaign and key periodical advertisements.

II. PURPOSE

The purpose of this marketing plan is to:

A. Establish the IDS market potential for products and services in the Academic market.

B. Develop marketing objectives that will coordinate the Moore IDS departments of Marketing, Manufacturing, IS and Sales to achieve maximum market share in the academic industry.

C. Maximize the resources available throughout Moore Corporation to penetrate the Education marketplace.

III. INTRODUCTION

A. Information Distribution Services

The past several years have revealed a trend in the U.S. away from the traditional manufacturing philosophy toward an economy based on services, new technologies and management. Moore has responded to this trend by capitalizing on it's advanced imaging and response processing capabilities to formulate Information Distribution Services.

Because of Moore's penetration into the mailing service market, additional customer needs have been identified such as service needs, project management, data base management and data manipulation and transmission. More recently it has been identified that a Vertical Market focus is truly required to penetrate the images and information marketplace with IDS products and technology.

In January of 1987, an IDS sales force of 120 representatives and managers was established to sell IDS products to eight vertical markets. Long term growth for Moore IDS will depend on strategic positioning within these markets. The nature of the IDS service offering necessitates a high level of application expertise for project definition along with specific knowledge of the customer's industry.

The IDS Marketing structure was redefined in January of 1988 to identify customers needs and to marry those needs to our current and future technological planning. This marketing strategy will focus on industry segmentation to establish IDS expertise within defined markets:

Education
Telecommunications
Insurance
Healthcare
Financial
Government
Utilities

The IDS Mission Statement:

"The mission of Information Distribution Services is to profitably provide products, services and systems solutions for vital business communication needs that result in increased efficiencies and or effectiveness for our customers."

A strategic planning committee was established to address many issues relating to the future growth for IDS:

- Market Definition
- Human Resources
- Data Processing
- Developmental Nature of Business
- Organization
- Research and Development
- Sales Expertise and Training
- Promotion
- Definition
- Identity
- Service Mentality
- Quality
- Distribution
- Sales Down Time

The strategic plan has recently been completed.

"The market for IDS products/services is being created. Growing internal demands on in-house data processing systems are creating opportunities for data processing services and communications distribution from one source. The Moore Customer base has been receptive to this new venture and IDS has been able to take advantage of the Moore name and reputation. Most IDS customers have been Moore core product customers for a number of years. The market focus for IDS has developed around mailing packages and services from a single source." (IDS Strategic Plan) Primary emphasis has been placed on eight vertical markets determined to be mailing intensive.

	1987 Net Sales	% of Total
- Telecommunications	7,915,483	15.4
- Financial	7,417,281	14.4
- Government	5,988,511	11.6
- Retail	3,774,249	7.3
- Insurance	2,076,066	4.0
- Education	1,304,510	2.5
- Healthcare	1,113,126	2.2
- Utilities	686,204	1.3
- Others	21,179,810	41.3

The 1987 product net sales were:

	$(000)	% of Total
- Compurite	37,271	72.3
- Electronic Printing	11,906	23.1
- Response Analysis	2,369	4.6
TOTAL	51,546	100.0

(dedicated volume - $17,140,336, core volume - $34,314,904)

B. Company Situation

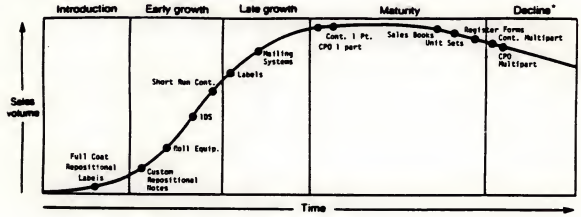
The Company is in excellent financial condition with $173 million in cash, total debt of $90 million and equity exceeding $105 billion.

Slowing growth in the forms industry has brought with it increased competition. Moore's new focus and marketing's challenge is to improve performance of products and services in each phase of the life cycle. **IDS is still considered in a early growth cycle by the company.** IDS, along with other new high growth, high margin areas (i.e; Response Graphics, Automatic Identification Systems etc.) comprised approximately 12% of Moore's revenues in 1986.

A segmentation strategy will be used to achieve overall market success with all other products as well. Targeting customer groups based on vertical market, account size, buying behavior and services required brings Moore closer to customer's and the solutions to their business information needs.

Product Life Cycle 1987 - Table 1

The Product Life Cycle - 1987

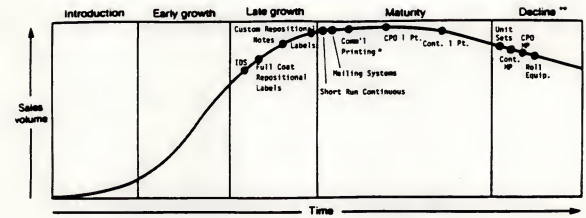


MAJOR PRODUCTS - 1987
(DOLLARS IN THOUSANDS)

	Introduction	Early Growth	Late Growth	Maturity	Decline
Net Sales	3,000	57,000	105,500	571,900	364,800
% of Total	0%	5%	10%	52%	33%
Net Profit (Est.)	243	3,020	12,680	45,520	46,748
% of Total	0%	3%	12%	42%	43%

* Decline phase extends further than depicted.

The Product Life Cycle - 1992 FORECAST



MAJOR PRODUCTS - 1992
1987 DOLLARS ($000's OMITTED)

	Introduction	Early Growth	Late Growth	Maturity	Decline
Net Sales	0	0	343,300	501,700	616,600
% of Total	0%	0%	23%	34%	43%
Net Profit	0	0	27,800	41,600	65,400
% of Total	0%	0%	21%	31%	48%

* Commercial printing volume is not projected. A business plan for this significant opportunity will be developed.

** A decline phase extends further than depicted.

C. Education

IDS sales to academic accounts represented approximately 3% of total IDS volume in 1987:

IDS Net Sales 1,304,510
Concession 1.3%

Because IDS product codes have changed several times in the last 5 years, accurate 1986 and 1985 SIC code sales are unavailable.

In order to evaluate the potential, profitability and to make future assumptions about IDS and the academic area, past Core product volume is noted.

	1985	1986	1987
Total Moore Academic List Volume (Core Products) - Approximately 2,300 Accounts	12,795,156	11,670,118	11,352,091
Overall Core Concession Levels	25.6%	28.4%	29.2%

* It is important to note here that academic product sales have consistently decreased the last three years, while it is assumed that IDS academic sales have increased in proportion with overall IDS sales.

A minimal amount of **marketing** focus has been placed on the Academic industry within Moore for Core or IDS products. An IDS vertical market package was released to the field several years ago to assist the representative in identifying academic IDS opportunities. **Exhibit I**

Many of the IDS projects or applications that have been identified by the Core and IDS representatives seem to be quarterly or annual in nature. Research for this plan has revealed that this vertical market will most likely represent a solid steady base for the future growth of IDS.

The Academic environment has become highly competitive and sophisticated. Profitable IDS orders are replacing many core applications because of the increased focus on marketing and technical sophistication among institutions and their 'audiences' (students, alumni, donors, parents, etc.)

Marketing programs in 1988 and 1989 will aggressively pursue:

A. The Higher Education Marketplace and School Boards/Districts.

B. Increase IDS visability in this environment.

C. Increasing market share.

IV. SITUATION ANALYSIS

A. Market Situation

1. Market Definition

a. SIC code definition
Moore IDS Academic accounts fall into seven SIC Codes:

SIC Code	Establishments In US Total	Large	No. of Orders	List Sell	Concession
8211 - Elementary and Secondary	89,545	63	5	63,625	2.2%
8221 - Colleges, Universities, and Professional Schools	2,477	1,290	91	824,216	-3.3%
8222 - Junior Colleges	1,241	525	12	170,487	-.9%
8231 - Libraries	22,102	198	1	4,075	26.4%
8243 - Data Processing Schools	49	4	10	100,932	4.2%
8244 - Business and Secretarial Schools	1454	2	0		0
8249 - Vocational	2,601	15	1	15,702	5.1%
8299 - Other (Educational Svcs)	15,737	16	15	116,910	2.1%

b. Higher Education Market.

The higher education market, will be Moore's target market. It will be the focus of the following background information. (See Section B.3 for target market.)

United States Institutions by Area - Table 3

	No. of Institutions	% of Total	($000's) Total Enrollment	% of Total
Midwest	863	26.3	3,184	25.5
East	821	25.0	2,677	21.5
South	1,035	31.5	3,667	29.4
West	565	17.2	2,937	23.6
TOTAL	**3,284**	**100.0**	**12,465**	**100.0**

* 55% of total institutions are private and have 23% of all students.
* 45% of total institutions are public and have 77% of all students.

Institutional Enrollment Breakdown (Nationally) - **Table 4**

Enrollment	Total	Public	Private
Under 1,000	1,321	174	1,147
1,000- 4,999	1,348	745	603
5,000- 9,999	371	294	77
10,000-19,999	245	210	35
20,000-29,999	73	67	6
Over 30,000	30	27	3

Alumni Information

Information from American Council on Education states that approximately 32,000,000 degrees have been conferred since 1940, thus an estimate of the total number of alumni in the United States.

In the past, philanthropic gifts have not provided a large percentage of the total operating income of higher education in the United States. Many institutions, however are now giving more attention to this source of support for current programs. Their efforts have resulted in substantial increases in gifts available for current purposes. In most colleges and universities, alumni and other interested persons are encouraged to contribute to an annual financial campaign whose proceeds are available for unrestricted purposes. These campaigns have attracted many donors whose relatively small annual gifts add up to a significant total. **The success of such efforts is indicated by the fact that the amount of income from voluntary gifts and grants to higher education in 1984-1985 was $6.3 billion.**

Tables 3, 4 and 5 show these general financial statistics about the college and university marketplace.

Voluntary Support of Higher Education - Table 5.

Voluntary Support of Higher Education in Relation to Enrollment, Inflation, and Institutional Expenditures in Selected Years

			Institutional expenditures		*Estimated voluntary support*	
Year	*Total enrollment*	*Consumer price index (CPI) (1967 = 100)*	*Total ($ billions)*	*CPI per student ($)*	*Total ($ millions)*	*Percent of institutional expenditures*
1949-50	2,659,000	71.1	2.5	1,310	240	9.6
1965-66	5,967,000	95.9	15.2	2,656	1,440	9.5
1970-71	8,649,000	118.8	27.1	2,637	1,860	6.9
1974-75	10,322,000	154.5	38.9	2,439	2,160	5.6
1979-80	11,707,000	232.1	58.5	2,153	3,800	6.4
1984-85	12,242,000	316.7	95.5	2,463	6,320	6.6

SOURCE: *Voluntary Support of Education*, 1984-85 (New York: Council for Financial Aid to Education, 1986).

Table 6 - Current Fund Revenues

Current Fund Revenues* (in $ Millions) of Institutions of Higher Education, by Source and Institutional Control

	1978–79	*1980–81*	*1983–84*	*Percentage distribution in 1983–84*	*Public institutions*	*Percentage distribution in public institutions 1983–84*	*Private institutions 1983–84*	*Percentage distribution in private institutions 1983–84*
Total current fund revenue	34,527.5	43,195.6	84,342.9	100.0	54,487.7	100.0	29,855.1	100.0
Student tuition and fees	4,380.6	5,570.4	19,714.9	23.4	8,123.3	14.9	11,591.6	38.8
Government	(22,018.6)	(26,768.6)	(37,231.1)	(44.2)	(31,803.6)	(58.4)	(5,427.4)	(18.2)
Federal	4,539.1	5,540.1	10,331.8	12.3	5,662.1	10.4	4,669.6	15.6
State	16,018.1	19,676.0	24,707.0	29.3	24,157.4	44.3	549.7	1.8
Local	1,461.4	1,622.9	2,192.3	2.6	1,984.1	3.6	208.1	0.8
Endowment income	153.6	214.6	1,873.9	2.2	315.1	0.5	1,558.8	5.2
Private gifts and grants	835.9	1,100.1	4,415.3	5.2	1,621.5	3.0	2,793.8	9.4
Sales and services of educational activities	698.8	943.7	1,970.7	2.3	1,279.2	2.4	691.5	2.3
Other	683.3	1,016.1	2,640.0	3.1	1,362.2	2.5	1,277.8	4.3
Auxiliary enterprises	3,627.9	4,614.6	9,456.4	11.2	5,947.7	10.9	3,508.7	11.8
Sales and services of hospitals	2,128.7	2,897.1	7,040.6	8.4	4,035.1	7.4	3,005.5	10.1

*Note: Totals may not add due to rounding

Source: U.S. Department of Education, Center for Statistics, unpublished data, 1986.

Table 7 - Current Fund Expenditures

Current Fund Expenditures of Institutions of Higher Education, 1983–84

Kind of expenditure	*Amount in 1983–84 (millions)*	*Percentage distribution in 1983–84*	*Public institutions amount in 1983–84 (millions)*	*Percentage distribution in public institutions in 1983–84*	*Private institutions in 1983–84 (millions)*	*Percentage distribution in private institutions in 1983–84*
Educational and general expenditures and mandatory transfers	(62,061.8)	(75.7)	(41,404.6)	(78.1)	(20,657.2)	(71.5)
Instruction	26,436.3	32.3	18,592.4	35.1	7,843.9	27.2
Research	8,345.7	10.2	4,647.2	8.8	3,698.5	12.8
Public service	2,499.2	3.1	2,049.0	3.9	450.2	1.6
Academic support	(5,531.2)	(6.8)	(3,809.6)	(7.2)	(1,721.6)	(5.9)
Libraries	2,231.1	2.7	1,463.5	2.8	767.6	2.6
Other	3,300.0	4.0	2,346.1	4.4	953.9	3.3
Student services	3,797.9	4.6	2,460.6	4.6	1,337.7	4.6
Institutional support	7,763.3	9.5	4,679.8	8.8	3,083.5	10.7
Plant operation and maintenance	6,729.8	8.2	4,577.7	8.6	2,152.1	7.5
Mandatory transfers	958.3	1.2	588.7	1.1	369.7	1.3
Auxiliaries	9,250.2	11.3	5,901.9	11.1	3,348.3	11.6
Scholarships and fellowships	3,227.2	3.9	1,219.1	2.3	2,008.1	7.0
Hospitals	7,379.7	9.0	4,503.4	8.5	2,876.2	10.0
Total	81,918.7	100.0	53,029.1	100.0	28,889.7	100.0

Note: Totals may not add due to rounding.

Source: U.S. Department of Education, Center for Statistics, unpublished data, 1986.

2. Market Trends and Requirements

The higher education economy has grown to approximately 84 billion. This includes all current fund revenues, education general fund revenues and all auxiliary enterprises (i.e. hospitals, etc.). As a percentage of the Gross National Product, higher education expenditures amounted to 2.5 percent in 1986 down from 2.7 in 1976 but up 2.1 percent in 1960. (Of the 2.5 percent, 1.6 was expended for public higher education and 0.9 for private.)

The Education marketplace has changed drastically in the last 5-10 years. Strategic planning and marketing are key issues with every institution, and Moore will be able to capitalize on these opportunities. Several apparent trends exist in the academic market place that will greatly affect the needed growth sophistication requirements for future IDS products and services:

1. **Declining federal support to education.**

   There is declining federal support for higher education and rapidly rising tuition rates. The need for other outside revenues is increasing dramatically and will directly affect all communications to students, parents, alumni, etc. **Sophisticated data base segmentation, collection manipulation techniques will be used by the academic world to target key donors, prior to major mailings. Fund raising expertise will also be key.**

2. **Competition for students among institutions has grown.**

   There has been a continuing decline in the percentage of students attending private and public institutions creating a greater competitive environment within the private institutional market place. The annual number of high school graduates peaked at 3.2 million in 1977 and declined to 2.8 million in 1983 that will continue to decline through the 1980's. The number of high school graduates is expected to decline 25 percent by 1994, according to census figures.

   Strategic and creative student recruitment and image enhancement mailing pieces are required from mailing vendors.

3. **Higher Education must also compete with alternative methods of education.**

   Proprietary schools and corporate education programs are diverting more students from traditional, four-year programs. Community colleges and public institutions also are drawing students seeking lower-priced alternatives to private colleges.

Knowledge of the industry and ways to reach the market place are requirements of all business communications vendors.

4. **Computer sophistication has increased dramatically within academia in the last 5 years.**

   An increase in computer and telecommunication sophistication in the following areas has created a need for more professional, creative business communications and analysis services:

   - Instruction
   - State and Multicampus Coordination
   - Student Services and Recruitment
   - Data Base Management, Definition and Communication
   - Alumni Solicitation and Communications

   As a result, closer work with appropriate software companies will be necessary in the future for effective and accurate output communications.

5. **Tuition costs are rising.**

   Students in 1986-1987 academic year paid an average charge for tuition, fees and room and board of $3,960 at public four-year institutions and $8,692 at private four-year institutions. Examples of 1986-1987 year:

MIT	- $11,600
Yale	- $11,340
St. Louis University	- $ 6,120
University of Miami	- $ 8,889
Grinell College	- $ 9,158
Suffolk	- $ 5,846
University of Chicago	- $11,681

   Cost of education has become prohibitive to many families and the need for student loan communications (information pieces, billing, coupon statements, etc.) has increased dramatically.

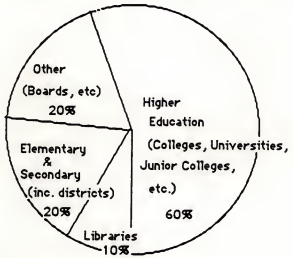
6. **Mailing quantities**

   Approximately 85% of the colleges and universities have less than 5,000 enrollment and one-third of the total have less than 1,000. (Analysis of current Moore IDS customers-see customer situation analysis.) **Smaller quantity mailing situations may arise when working with current student population, however alumni mailings will be much larger.**

3. Market Potential

The academic marketplace can be divided into several segments. Higher education represents the greatest potential for Moore's IDS services and will be the target area for this plan.

Table 8 - Academic Marketplace - Segments (Moore Volume)



Academic Marketplace

Methodology

The total universe of a potential mailing within the higher education market is approximately 44,500,000 students and alumni. If that figure was calculated at a $1.50 per IDS system (mailing, Response Analysis, telemarketing or directory) at one system per year, a conservative market potential could be estimated at about **$67,000,000 market**. The average IDS account size for Moore has traditionally been about $19,000 annually or on the average of $1.40 per mailing system (multiplied by 3,300 institutions would be a 62,700,000 potential without having had strategic focus or concentration on that industry in the past).

(The $1.50 figures is quite low in the Education Market because of the system requirements of applications. It is important to note that this figure is based on current capabilities, not future services. For example, a simple mailing to MIT partial alumni base has progressed to a $3.50 per mailing system including Response Analysis. Inclusion of a directory from MDMS could bring that figure up to $7.00 per system.)

However, it must also be considered that the average institution enrollment size for Moore's past success' has been in the range of 12,800. As mentioned earlier only 304 colleges and universities fall in that range and above. (See Customer Situation - Section B for further analysis and Section V - A for Positioning Objectives. Number of alumni will be considered as well as repetitive mailings for smaller institutions.)

B. Customer Situation

1. IDS 1987 Academic Customers

Moore IDS had approximately 75 higher education sold customers in 1987 and only about ten secondary and professional (and others) customers.

Total Marketplace - 3,300
Total Moore Academic Core and IDS Accounts - 2,300
Total 1987 Sold Moore Academic Accounts (Core and IDS) - 1,100
Total 1987 Sold IDS Academic Accounts - 85

Vertical market focus and segmentation has become a company wide strategy, however it is imperative than a formal IDS organization be established within the vertical strategy. The customer level that must be approached for IDS services expects extensive creative and technological system solutions that only a dedicated organization can provide.

The average size college or university that has been sold by Moore has approximately 10,000 - 12,000 students. 80% of colleges and universities fall into the 10,000 - 12,000 category. Size of an institution is not the reason for lack of penetration. It has been identified that many of these accounts are **not** available to IDS representatives. 90% of the IDS academic orders sold by Core representatives were assisted by IDS specialists. IDS expertise is needed to be successful in any marketplace.

Moore's institutional enrollment size has been as low as 1,000 students and as high as 40,000 students.

Average Account Volume - **Table 9**

Area	No. of Colleges and Universities	No. of Total Academic Accounts	Total Volume	Average Account Volume	Average Enrollment
Midwest	20	22	$ 293,600	$13,400	13,500 Stud.
East	25	33	726,600	21,957	13,755 Stud.
South	14	14	80,100	7,285	7,476 Stud.
West	14	15	280,300	32,947	16,485 Stud.
TOTAL	**72**	**84**	**$1,380,600**	**$18,918**	**12,804 Stud.**

Moore Customer Student Enrollment - Table 10

Student Enrollment	No. of Moore Accounts
Under 1,000	2
1,000- 4,999	17
5,000- 9,999	9
10,000-19,999	14
20,000-29,999	9
Over 30,000	9
Unknown Enrollment	20

It is apparent that IDS success' have not just been in the larger (enrollment) institutions. **Statistics regarding the number of Alumni for each Moore account is not available at this time.** However, age of the institution would greatly affect the number of Alumni and potential mailings as well.

2. Customer Attitudes

In the fall of 1987, 72 customer interviews were completed with satisfied, dissatisfied, and unsold customers. Nine academic accounts were included in this interview process. Throughout the general process with all customers, all three respondent groups indicated a need for the sales representative to understand their industry and have detailed knowledge of their project.

Customers see IDS as a 'service' to provide communication systems that could be done in-house, thus they expect higher levels of service, responsiveness, and sensitivity from Moore.

Specific academic participants included:

- Ohio University (Athens, Ohio)
- University of Texas
- Seton Hall University (New Jersey)
- Boston University
- Case Western Reserve (Cleveland)
- University of Rochester
- University of Tampa
- American Technological University (Texas)

Comments from several education accounts noted that Moore was seen as too big to handle smaller quantity mailings to their targeted audiences and that they did not see Moore as being flexible.

Other commented that the IDS concept and technology was exactly what they needed to accomplish their mailings. Case Western University felt that the IDS alumni survey program was superior to any of our competitors and that we needed to make ourselves visible in the education marketplace. In general they saw IDS as a system solution to traditional "piecemeal" mailing projects.

3. Target Market

As stated earlier our success has been in the higher education market place and will be the focus of the short term marketing plans because of size, customer focus and technological needs, although Boards of Education, Associations and School Districts etc. will be considered in the marketing objectives. Key customer titles within these areas are shown in **Exhibit II**. There are several sub-segments within that marketplace that will be targeted and will be addressed in the positioning section under marketing objectives:

Student Recruitment
Alumni Communication and Development
Student Services

The arena in which educational institutions carry out exchanges of information include:

Business Community
Local Community
Alumni
Students and Parents
Prospective Students
General Public
Potential Donors

Therefore it must also be noted that institutions of any enrollment size should be targeted by Moore IDS because of the other populations that receive communication mailings.

D. Product Situation

1. Product

a. Mix

As seen by **Table 11**, 1987 orders for the Education Market did not fall into specific Product Code categories.

TABLE 11 - PRODUCT CODE BREAKDOWN

Product Code	No. of Orders	SIC
3040 - Compurite System	13	10 - 8221 2 - 8222 1 - 8299
3048 - LQD-1 Compurite System	2	1 - 8221 1 - 8229
3100 - Compurite Feature	3	3 - 8221
3100 - Compurite Feature Cbl.	1	8231
3140 - Compurite System	4 16 3	8211 8221 8222
3144 - LQD-II Compurite System	1 2 2	8221 8222 8299
3200 - MMC Credit Card Non-Thurmont Embossed	3 3	8221 8222
3270 - MMC One-Part Compurite	6	8221
3280 - MMC Other	2 1 5	8221 8249 8299
3284 - LQD II MMC Other Compurite	1	8299
3845 - 1099 Compurite Two-Part Print	3	8221
3849 - Response Analysis	5 1	8221 8261
8020 - Letters - Laser on Bond MBIC	30 10 4	8221 8241 8299
8100 - W-2 Statements MIDAX	1 3	8211 8221
8110 - W-2P Statements MIDAX	1	8299

The market in general is a very service and system oriented industry. Moore's success has been in those accounts where complete communication systems were designed (mailing, analysis, creative, etc.). Moore IDS is not known in the education marketplace and our market share is very low. Two critical issues for our products are the need for creative personal appeal for donor solicitation and flexibility for smaller quantity mailings.

Needs based selling skills are strongly needed for IDS products and services in the academic area. A greater 'marketing' emphasis is present among higher education, because of trends identified earlier.

b. Applications

One formal release has been presented to the IDS sales force relating to a horizontal application rather than a product. In 1986 an Alumni Survey package was designed and released to provide direction for an alumni census, analysis and follow-up mailing. **Exhibit III** Several 'System Write-Ups' have been released about education opportunities previously identified by the Moore Sales force.

The key areas and applications under the target areas that have been identified as common beginning points by Moore reps are:

Higher Education

Development and Alumni Affairs

Fund Solicitation
Phonathons
Directories
Reunion Mailings
Census/Information Updates
Membership Renewals
Fellow Alumni Letters
Alumni Association Ballots
Athletes - Season Tickets, Donation Requests

Recruitment and Admissions

High School and Adult Student Recruitment
Acceptance and denial Mailings
Admission Packages
Position Search

Registrar/Business Office

Grade Reports
Billing
Class Registration (Phone and Mail)
Student ID Card
Fee Statements (Lab, Student Service etc.)
Registration Confirmations
Transcript Mailings
Employee/Employer Communications
Student Vehicle Registration, Parking Permits
Notification of Transportation Schedule

School Boards and Directors

Community Mailings
Schedule Mailings

Associations

Ballots
Membership Renewals

2. Pricing/Profitability

The IDS Education marketplace as a whole appears to be inelastic. Overall concessions for IDS Academic SIC sales in 1987 were at about 1.3% as opposed to Core concessions for the same SIC codes that were 29.2% in 1987. (The 1.3% figure excludes one order under SIC 8231 - Libraries which had a 26.4% concession.)

It is important to evaluate the profit to list percent. Moore anticipates a 20% profit on IDS products. **Table 12** shows list profit to list level on IDS products. (Exhibit IV - Comprehensive 1987 Profitability).

Because a detailed data base of lost order information is not available to us at this point, it is difficult to determine what types of academic orders may be lost due to price. Very little penetration into this marketplace has been achieved and it is difficult to determine what applications will be based on strictly on a bidding situation. In talking with representatives, it appears that many orders related to the Development area require coordination of many departments and do not seem to be as price oriented but rather very system solution oriented.

TABLE 12 - PROFITABILITY EVALUATION

	THURMONT			LOGAN			RA			ELK GROVE		
	List$	Net$	% To List	List$	Net$	% To List	List$	Net$	% To List	List$	Net$	% To List
Midwest	94,777	12,767	13%	34,381	6,448	18%	31,523	-1,261	4%	28,094	7,666	27%
East	357,137	-7,096	-1%	50,423	12,355	24%	1,469	-59	-4%	136,831	53,243	38%
South	67,273	9,796	14%	15,296	2,751	17%	1,028	-41	-3%	-	-	-
West	40,696	-7,892	-19%	241,137	47,496	19%	-	-	-	-	-	-
	559,883	7,575	1%	341,237	69,050		34,020	-1,361		164,925	60,909	

NOTE:

In the area of alumni surveys and directories, some of our competitors advertise a 'no cost solution' whereby they mail the survey, telemarket the directory, manufacture the directory and ship it out to the alumni at essentially no cost to the university. These companies profit by determining their break even points and hard sell the directories to the alumni to meet those numbers. Many institutions represented at a recent seminar stated that this is truly not a 'no cost approach'. Alumni complain about the approach and ultimately the university does have to pay if all of the anticipated directory sales are not made. There is currently a plan in the works to coordinate with MDMS to provide an enhanced service and still allow the university to make a profit on the system. Creativity in pricing the system has allowed great penetration into this arena in the Boston area.

The challenge of IDS within all of the vertical markets will be to thoroughly evaluate the current pricing structure. IDS pricing is presently based on the same cost accounting system as all other Moore products. This pricing structure will not be effective as we progress further into project management systems, partnering relationships, facilities management, consulting, etc.

3. Distribution

In general the IDS organizational structure is in turmoil at present. One and a half years ago a specific IDS structure was established consisting of approximately 120 dedicated representatives and managers. Many problems exist with the current structure and market penetration with IDS products and services has not been at it's best as a result:

1. Many education accounts have not been delegated to IDS representatives. Conflicts exist between the Core and IDS representatives. Case Western Reserve in Cleveland is an example. Moore completed an alumni survey mailing and analysis for the account last year. The IDS specialist completed all of the work for the project, however, is currently not able to call on the account any more per the request of the Core representative. The project was extremely successful and probably more business could be enjoyed from the account if an IDS representative handled the account full time. The number of active IDS accounts remains very low in comparison to the potential across the United States.

1987 Education IDS Sales - 1.3 Million
46% - Dedicated IDS Volume
54% - Core Volume

Total Marketplace - 3,300
Total Moore Academic Core & IDS Accounts - 2,300
Total 1987 Sold Moore Academic Accts (Core & IDS) - 1,100
Total 1987 Sold IDS Academic Accounts - 89

Area	No. of IDS Active Accounts	Volume	Potential Accounts/Volume
Midwest	22	$275,000	863/16 mm
East	33	668,000	821/15.6 mm
South	14	82,000	1,035/19.6 mm
West	15	281,000	565/10.7 mm

2. There is not a unified management reporting structure for this dedicated sales force. Sales Planning and forecasting is done inconsistently across the United States and because the IDS selling, operational and marketing needs differ from the Core business, one business unit with a general manager is needed. Decision making, communication and general business strategies would be greatly improved if a formal IDS structure was established. Market penetration would be drastically improved. It is not surprising (as shown in the numbers above) that IDS type customers within the academic market place do not even know about Moore's IDS' program, yet with the current distribution structure and numbers of representatives across the country we could be very successful in these accounts.

3. Although Response Graphics states they are no longer targeting Education, they have developed a training package for their representatives regarding the eduation marketplace. (**Exhibit V**) Clarification of Moore's distribution channels is necessary in an industry this small. Academic customers across the country are unsure of the roles of the two companies.

4. Promotion

Moore had not participated in any advertising or trade show activities in the academic area until this year (1988). Other divisions within Moore Corporation have been somewhat visible via direct mail campaign's (Response Graphics) and advertising and trade shows (MDMS).

In 1987 Moore IDS worked briefly with several consultants in the Education marketplace but no formal partnering program was developed.

D. Competitive Analysis

Competitor categories in the academic areas are:

- Consultants
- Direct Mail Companies
- Mailing Companies
- Software Companies
- In-House Programs

Table 13 lists the main National competitors by category. Some will represent data processing/software companies that may be potential partnering prospects (see objectives). This exhibit is not complete but will be the beginning of a working tool to add competitive information as it is received.

The competitors industry are generally specific to the education marketplace and therefore provide very specialized expertise to this market. (See **Exhibit VI** - Harris Publishing's most recent program enhancement.) Limited activity has been seen from identified general IDS competitors (Data Documents, Uarco and NCR).

TABLE 12 - COMPETITIVE ANALYSIS

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Delaware Trust Co. Bank Card Division PO Box 1109 Wilmington DE 19899 (302) 984-3243	Delaware Trust designs bank card programs for alumni associations. Through sponsorship of these program , alumni associations enjoy an on-going source of income while providing alumni with a bank card that has attractive rates and benefits.						
W.E. Andrews Co., Inc. Woodland Oivision 6 OeAngelo Drive Bedford MA 01730 (617) 275-1600	New England's largest supplier of coordinated promotional literature for educational institutions. Services include creative concepts, copywriting, editing, photography, artwork, design, layout, computerized phototypesetting and printing.						
Barton-Gillet Co. 10 South Gay Street Baltimore MD 21202 (301) 685-6800	Provides strategic planning, market research, and communication services to educational, medical, and cultural institutions. From review of the positioning of an institution to producing communications plans and materials, the firm offers consultative, research, creative, and production capabilities.						
Carleton Graphics PO Box 570 South Bend IN 46624 (219) 236-4600	Carleton is the industry leader specializing in "NO COST" and "LOW COST" alumni directories.						
CMF&Z/Creswell, Munsell, Fultz & Zirbel, Inc. 4211 Signal Ridge Rd., NE Cedar Rapids IA 52406 (319) 395-6500	CMF&Z is a persuasive communications company doing business under the aegis of Young & Rubicam. Our institutional communications group provides assistance with marketing, public relations, advertising, research, writing, design, publications production, and audio-visuals.						

COMPETITIVE ANALYSIS (Cont'd)

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Crowder Communications 300 Cathedral St., Suite 600 Baltimore MD 21201 (301) 727-3225	Full service institutional marketing and graphic design specialists. Provides services for identity design including visual audits, image analysis, identity systems, admissions and development campaigns, and audio-visual and exhibit design.						
Davis Press, Inc. 44 Portland Street Worcester MA 01608 (617) 754-4114	Full service provided from concept and design through computerized typesetting, layout, and printing. Recognized for top quality for over 100 years. As a smaller firm, Davis offers personalized service to each client in the academic marketplace.						
Douglas-Innes & Co. 100 St. Paul Street Baltimore MD 21202 (301) 576-2200	Provides institutional marketing and communications services for student recruitment, alumni, and development programs.						
The Graphic Supervisors, Inc. 460 Old Boston Street Topsfield MA 01983 (617) 887-3583	Print production management for all publications for admissions, alumni, and development from design to mailing; maintain budgets, quality and schedules.						
Hager, Sharp & Abramson 1101 17th St., NW, Suite 1001 Washington DC 20036 (202) 466-5430	Full-service communications firm serving individual institutions and associations. For associations: public education campaigns, membership recruitment campaigns, and on-going media relations. For institutions: communications audits, advertising and promotion projects, market research and institutional planning.						
Bernard C. Harris Publishing Co., Inc. 3 Barker Avenue White Plains NY 10601 (914) 946-7500 or (800) 431-2500	Alumni directory specialists. Harris offers a full-service, no-cost alumni directory program that provides updated biographical data on up to 90 percent of alumni, and special fund-raising reports such as COMPOSITE DONOR INDEX and a matching gift company analysis. The firm assumes all financial responsibilities and markets the directory to alumni.						

COMPETITIVE ANALYSIS (Cont'd)

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Hoffman Printing/Publications Division 983 Jefferson Avenue Buffalo NY 14204 (716) 885-3900	Printing and publishing company capable of providing graphic, editing, writing and photography services.						
The Interstate Network 400 Watchung Avenue Plainfield NJ 07061 (201) 756-4900	Graphic communication, specializing in a marketing approach to recruitment and the creation of a clear and consistent graphic image for educational institutions.						
R.S. Jensen, Inc. 819 North Charles Street Baltimore MD 21201 (301) 727-3411	A full-service communication design firm specializing in the development and implementation of institutional identity programs.						
Lapham/Miller Associates 34 Essex Street Andover MA 01810 (617) 475-8570	A full-service communication design firm providing expertise to admissions and institutional advancement through market research, graphic identity standards, copy and theme development, design, photography, and print production. Serves colleges throughout the United States.						
The LaVigne Keating Co., Inc. One Grafton Common Grafton MA 01519 (617) 839-6958	Specialists in academic marketing and communications, we help educational institutions define their distinctive qualities, translate them into specific marketing strategies, and build comprehensive communications programs that work - in admissions, public relations and development.						
The Lawlor Group, Inc. 3644 Glenhurst Avenue Minneapolis MN 55416 (612) 922-6291	Full-service promotional marketing and communications services, including market research, strategic and tactical planning, creative development, and print/audio-visual execution. Over two decades of marketing expertise. Innovative and disciplined thinking that gets results.						

COMPETITIVE ANALYSIS (Cont'd)

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Litho-Four Offset Printers 1250 Route 23 Butler NJ 07405 (201) 838-8606	A full-service lithographer specializing in the educational field. We offer creative services such as design and typsetting as well as one - through through four-color printing and complete finishing services.						
Madsen and Kuester, Inc. Main at Riverplace, Suite 500 Minneapolis MN 55414 (612) 378-1895	Graphic design company specializing in the design of institutional marketing communications and college identity programs, including admissions and recruiting literature, catalogs, viewbooks, financial aid brochures and newspapers.						
Moore Business Forms & Systems 1205 Milwaukee Avenue Glenview IL 60025 (312) 380-3196	Information distribution services, including specialized mailings and analysis of return information within the educational marketplace.						
Moore Data Management Services 9807 Cumberland Ridge Lane Indianapolis IN 46256 (317) 842-8119	Computer database publications. We can create a computer database from any type of input or typeset and print from an established database. We specialize in academic catalogs, alumni directories, media catalogs, class/faculty schedules, and staff directories.						
North Charles Street Design Organization 222 West Saratoga Street Baltimore MD 21201 (301) 539-4040	Counsel and creative services for institutional advancement: planning and preparation of materials for enrollment management; counsel in publications management and graphic identity; creative services to support fund-raising, alumni, and community relations programs.						
Phillips Brothers Printers 1555 West Jefferson Springfield IL 62702 (217) 787-3014	In-house printing and binding facility specializing in college catalogs. Web and sheet-fed presses.						

COMPETITIVE ANALYSIS (Cont'd)

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
C.S. Pratt Designs, Ltd. PO Box 580 Leavenworth KS 66048 (913) 682-7299	Design and development consultants for college and university communications.						
Publishing Concepts, Inc. 2639 Walnut Hill Lane Suite 230 Dallas TX 75229 (214) 353-0404	(alumni directories)						
Rector Communications, Inc. 400 Market Street Philadelphia PA 19106 (215) 592-6566	Marketing communications for educational institutions.						
Response Marketing Group 7 North Brentwood Blvd. Suite 311 St. Louis MO 63105 (314) 721-4520	A division of Moore Corp. Ltd., the Response Marketing Group is a direct-response advertising agency specializing in educational fund raising and student recruitment. Services include list procurement, research, response analysis, production and campaign development.						
Rutka & Weadock 1627 East Baltimore Street Baltimore MD 21231 (301) 563-2100	Specializes in institutional communications. We provide creative and production services for admissions and development programs, including consultation, research, writing, design, photography, typesetting, and printing - for total publication packages or for individual projects.						
Salina Press, Inc. 3189 Erie Blvd. East PO Box 370 East Syracuse NY 13057 (315) 446-5880	College and university printing sold by salesmen who know printing.						

COMPETITIVE ANALYSIS (Cont'd)

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Spectrum International Enterprises, Inc. 665 Washington Avenue Jermyn PA 18433 (717) 876-5770	A diverse marketing and production company specializing in database management, information handling, database publishing, direct mail marketing, telemarketing and institutional advancement. Alumni directory programs are utilized as a means to update and expand alumni records.						
Stamats Communications, Inc. 427 Sixth Avenue, SE Cedar Rapids IA 52406 (319) 364-6167 or (800) 553-8878	We have been creating high-quality admissions and development publications for colleges and universities for over 30 years. Research, conceptual planning, consulting, writing design, and printing product on services urder one roof. We seve clients nationwide.						
Stein Printing Co., Inc. Educational Division 2161 Monroe Drive Atlanta GA 30324 (404) 875-0421	Specializing since 1965 in creating effective admissions communications programs, development publications, and institutional reports. Comprehensive services include market research, creative concept development, design, copy, photography, and all phases of print production.						
Topor & Associates 6717 Friars Road, Suite 48 San Diego CA 92108 (619) 298-8473	Marketing and communications consulting for schools, colleges and universities. Publishers of Marketing Higher Education, a monthly newsletter.						
Jewell Vroonland & Associates 921 North Calvert Street Baltimore MD 21202 (301) 727-5521 or (301) 332-1721	Technical and creative services for college and university advancement. Services include admissions operations review, development of recruitment publications, enrollment analysis, market research, strategic planning and direct mail campaigns.						

COMPETITIVE ANALYSIS (Cont'd)

ALUMNI SERVICES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
F.E. Worthington, Inc. 1004 North Calvert Street Baltimore MD 21202 (301) 837-4434	Communications and marketing consultants for admissions, development, alumni relations, and special events. Planning and project services include consulting, research, writing, graphic design, photography, illustration, printing, audio-visual production, and project management.						
DATA PROCESSING AND DIRECT MAIL							
Mail Communications, Inc. 2401 Revere Beach Parkway Everett MA 02149 (617) 389-5350	A full-service direct-mail marketing and fund-raising organization offering program planning, creative services, data processing, graphic arts production, laser processing, and mail processing, all in a single location.						
FUND RAISING AND DEVELOPMENT							
Alexander O'Neill, Inc. 133 Carnegie Way, Suite 1000 Atlanta GA 30303 (404) 523-1122	Provides fund-raising, marketing, and management consultation to universities, colleges and independent schools throughout the Southeast.						
American Association of Fund-Raising Counsel, Inc. 25 West 43rd St., Suite 1519 New York NY 10036 (212) 354-5799	Organization representing fund-raising consulting firms. It is a clearinghouse for information on philanthropy and legislation concerning charitable organizations. Its public service arm, the Trust for Philanthropy, publishes Giving USA and Fund-Raising Review.						
American City Bureau 9501 West Devon Avenue Rosemont IL 60018-4879 (312) 696-1450	Fund-raising counsel since 1913. Success-oriented services include developmental studies, resident campaign direction, communications and public affairs, endowment development programs, and market research studies. Offices in New York, Atlanta and Los Angeles.						

COMPETITIVE ANALYSIS (Cont'd)

FUND RAISING AND
DEVELOPMENT

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Anderson, Cole, and Dollhopf, Inc. Fund-Raising Counsel 425 George Street New Haven CT 06511 (203) 562-5697 250 14th Street Atlanta GA 30309 (404) 874-6994	On-site and off-site consulting and program implementation for highly personalized direct mail coordinated with professional telephone solicitation. Recommended for annual fund or capital campaigns involving constituencies of 1,500 to 100,000 or more.						
Donald A. Campbell and Co., Inc. One East Wacker Drive Chicago IL 60601 (312) 644-7100 77 East Wilson Bridge Road Suite 102 Columbus OH 43085 (614) 436-4525 2900 One Wilshire Building Los Angeles CA 90017 (213) 489-6884 511 11th Avenue South PO Box 25, Suite 421 Minneapolis MN 55415 (612) 333-5557	Full-service philanthropic development firm, specializing in counsel and management of capital, annual, and planned gift programs; campaign feasibility studies; marketing and development audits and plans; market research; and a full spectrum of communications services.						
Cargill Associates, Inc. 4701 Altamesa Blvd. PO Box 330339 Fort Worth TX 76133 (817) 292-9374	Professional fund-raising counsel for non-profit organizations and institutions, with an emphasis on schools, colleges, universities, and hospitals. Specialists in capital campaign management, feasibility studies; annual, capital, and planned gift programs; deferred giving; resident capital campaign management; training of new development personnel; endowment campaigns; and leadership development.						

COMPETITIVE ANALYSIS (Cont'd)

FUND RAISING AND DEVELOPMENT

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Development Management Associates 249 East Ocean Blvd. Suite 712 Long Beach CA 90802 (213) 436-2221	A professional fund-raising firm specializing in capital campaign planning and management with a variety of supplementary services, including recruitment, training and public relations. DMA is headquartered in California and has an East Coast office in Atlanta, Georgia.						
Disclosure, Inc. 5161 River Road, Bldg. 4 Bethesda MD 20816 (301) 951-1300	Disclosure maintains a contract with the SEC to provide clients with microfiche or paper copies of public corporate filings. The copies give customers the necessary information to identify corporate givers.						
Stephen Dunn & Associates, Inc. 1422 Washington Blvd. Suite 1 Venice CA 90291 (213) 392-8591	Stephen Dunn & Associates, Inc., provides consultation and management services for nonprofit organizations wishing to conduct on-site phone-mail programs as part of their annual fund, capital, or special-cause fund-raising campaigns.						
Charles R. Feldstein and Co., Inc. 135 South LaSalle Street Suite 1260 Chicago IL 60603 (312) 558-1800	Fund-raising, communications, and program management counsel.						
Fund-Raising and Management Counsel, Inc. 1053 Juniper Street, NE Atlanta GA 30309 (404) 892-8757 1008 North Main Street Anderson SC 29621 (803) 287-3894	Offers professional consulting and management services for annual giving programs and capital campaigns; additionally, personalized direct mail programs and telephone campaigns.						

COMPETITIVE ANALYSIS (Cont'd)

FUND RAISING AND DEVELOPMENT

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Gonser Gerber Tinker Stuhr Naperville Financial Center 400 E. Diehl Rd., Suite 380 Naperville IL 60540 (312) 505-1433	Full service development consulting firm in the areas of development, public relations, fund-raising, and student recruitment.						
John Grenzebach & Associates, Inc. 211 W. Wacker Dr., Suite 500 Chicago IL 60606 (312) 372-4040	Capital campaign, annual fund, and on-going program counsel; feasibility/ planning studies; resident capital campaign management; program evaluations; needs assessment/documentation; advanced computerized demographic analysis; computer/software, telemarketing, and direct mail expertise; executive search; and writing/publication services and case statements.						
IDC 1283 Broad Street Bloomfield NJ 07003 (201) 338-6300	Creators of the internationally successful PHONE/MAIL brand telecommunications program for educational, medical, and cultural institutions. Our highly trained staff of fund-raising professionals can provide your organization with expert PHONE/MAIL telecommunications counsel for annual and capital campaigns for both on-site and PHONE/MAIL Centre programs. Offices nationwide and in Canada (member: AAFRC; affiliate: CASE, NAHD and NCDC).						
Marts & Lundy, Inc. Meadowlands Corporate Center 1200 Wall Street West Lyndhurst NJ 07071 (201) 460-1660	Full-time resident management or part-time counseling with client staff - including studies, ELECTRONIC SCREENING, prospect research, direction of capital campaigns, counseling on development programs, annual funds, writing/design, and training of new development officers.						

COMPETITIVE ANALYSIS (Cont'd)

FUND RAISING AND DEVELOPMENT

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
New Boston Group 614 Massachusetts Avenue Cambridge MA 02139 (617) 576-6000 123B Wisconsin Avenue, NW Suite 202 Washington DC 20007 666 Broadway New York NY 10012 122 South Michigan Avenue Suite 1419 Chicago IL 60603	Has assisted over 100 nonprofit organizations from coast to coast in achieving their development objectives through Phone-Mail, NBG's exclusive combination of telephone and direct mail. NBG implements all facets of a successful telemarketing campaign and offers no-risk donor acquisition program specifically tailored to meet the needs of our clients.						
Carol O'Brien Associates 1347 Ellis Hollow Road Ithaca NY 14850 (607) 272-9144	Provides counsel in all aspects of advancement, including strategic planning, marketing and feasibility studies, program assessments and operations review, annual and capital campaigns, non-individual giving programs, development communications and research, staff and volunteer training, and governing board development.						
Philanthropy Management, Inc. 424 Madison Ave., Suite 1101 New York NY 10017 (212) 935-0540	Full spectrum fund-raising consulting and management services, specializing in new technologies for university development. Created the PMI Telefund, a unique solicitation system combining letters and telephone calls for maximum outreach and results.						
Sumner G. Rahr & Co., Inc. One North LaSalle Chicago IL 60602 (312) 899-0977	Fund-raising counsel. Services include evaluative surveys and audits; institutional planning; training of staff and volunteers; development of communications and marketing aids; and the design and management of annual and capital campaigns.						

COMPETITIVE ANALYSIS (Cont'd)

FUND RAISING AND DEVELOPMENT

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES
Teleconnect Data Base Marketing Co. 500 Second Avenue, SE PO Box 3161 (319) 366-6600 or (800) 732-2487	Consultation services in the areas of educational fund-raising, admissions, and market research. Phone/mail programs for annual, capital, and special fund-raising campaigns and student recruitment. All programs directed toward colleges and universities.						
Thompson and Pendel Associates 911 South 26th Place (703) 684-7773	Consultants for feasibility/development studies; presidential and executive searches; special assist-Arlington VA 22202 annual funds, direct mail, marketing, and capital and special campaigns; and public relations, prospect research, and foundation and corporate programs.			tance in planned giving programs,			
Woods & Associates 77 East Elm Street Chicago IL 60611 (312) 751-2242	Planning and communications services for nonprofits. Range of services emphasizes marketing (institutional, development, admissions) studies and plans, campaign feasibility studies and plans, and all requisite communications materials. Case statements are a specialty.						
Dick Jones Communications PO Box 497 Dalton PA 18414 (717) 563-1150	Professional communications firm featuring work with smaller colleges and universities. Services include: national and regional media relations, story development and targeting, marketing and communications audits, public relations plans to support development and admissions.						

V. STRENGTHS AND WEAKNESSES

Strengths and weaknesses exist within the IDS Program and the new Vertical Market Focus. It is the intent of this market plan to capitalize on the strengths, minimize the weaknesses and move forward with Marketing programs to enhance Volume, Profitability and Market Share in the Academic Market Place.

A. IDS Strengths

1. One Source

Moore IDS offers full service, one source, business information management systems.

2. Postal Expertise

Moore currently has extensive Postal expertise and is providing state-of-the-art capabilities that will maximize customer mailing efficiencies.

3. Experience

Moore's 106 years of expertise and success is well known by customers.

4. Sales History/Growth Rate

IDS has enjoyed steady growth in volume over the five years of its existence. Sales history indicates consistent growth in volume in each of the three product/service areas.

5. Profitability

Due to the practice of concession management, IDS overall has realized profitable volume contributions to the USBF&SD with the exception of the MBIC/Elk Grove consolidation.

6. Established Programs

IDS has developed two key programs (1099, W2) that contribute substantially to total IDS volume on both the Core and dedicated side. These programs have also served to provide a more comfortable way for inexperienced reps to enter the IDS sales area due to the completeness of the presentation of these programs.

7. Coverage

The Dedicated group includes approximately 140 Sales Reps and District Managers located in major metropolitan areas. The coverage of this dedicated group is substantial. Beyond this, the Core Sales Reps involved in the selling of IDS extends to most regions of the country. Moore boasts the largest sales force in the business forms industry, all of whom currently have the opportunity to sell IDS.

8. Dedicated Experience

The Dedicated sales force has been drawn largely from the Core sales force. With this group comes a significant history of sales expertise and success in the business forms industry (also is a weakness for needed systems analysis/selling).

9. Established Customer Relationships

Both the Dedicated and particularly the Core group have established significant customer relationships. Input from the Customer Evaluation Study indicates that customers (and non-customers find this to be of critical importance on IDS-type projects.

10. Creative Services

The Moore salesforce has access to Creative Services which allows for the professional demonstration of the proposed mailing component portion of the project during the selling cycle. Sales reps continually cite this as a strength that allows them to compete effectively on the basis of presentation.

B. IDS Weaknesses

1. Response Analysis

A great deal of the return processing work is currently subcontracted. Moore does not have the control of the output from those subcontractors like it would if it were in-house. The pricing structure makes almost every order essentially unprofitable. Quality control is impossible.

2. Business Forms Mentality

Currently IDS offers our customers a 'product' or service as part of Moore Business Forms. The customers and system solutions that we are working with, require a philosophy or a business unit strategy that meets specific needs beyond a 'business form' mentality. Our current organizational structure (manufacturing, sales, pricing, etc.) limits our ability to meet those customer needs.

3. Order Processing

Order processing is currently a very tedious and ineffective system. The customer and IDS representative have difficulty maintaining control of the order process.

4. Lack of Aggressive Decision Making

IDS, currently part of large traditional business form company environment, is not able to make timely strategical decisions. Responsiveness and aggressiveness are mandatory requirements for players addressing this market place.

5. IDS Market Penetration

While IDS has enjoyed growth in volume from year to year, based on limited understanding of the marketplace, much of the market is fragmented; thus IDS' penetration of the market is relatively small.

6. Market Definition

IDS has been unable thus far to define the market for IDS. Vertical market segments were based on mailing intensity, which may not be an appropriate gauge given the area of opportunity IDS wants to address. Market definition historically has been of a reaction mode based on the product emphasis IDS has previously followed. Recent realignment in IDS Marketing from product to market emphasis will begin to determine focus and quantification of IDS opportunities.

7. Pricing Position

Due to financial accountability being currently in line with other USBF&SD products and services, pricing for IDS products and services has not been in line with market pricing.

8. Sales Force Expertise

The level of expertise of both the Dedicated and Core Salesforce is not consistent with market need, based on the comfort level they exhibit and information contained in the Customer Evaluation Study. Formal training for the dedicated group has been limited to one week of training in February of 1987. Beyond that, no formal ongoing training for the Dedicated group has been established. Specifically, they lack expertise in data processing, systems needs analysis and vertical market knowledge.

9. Sales Efficiency (Downtime)

Sales downtime in terms of lengthy order entry processes (particularly frustrating for repeat orders) and a lack of staff support in the sales offices prohibits maximum sales efficiency.

10. Limited Creative Services

There are not enough creative artists on staff to meet demand resulting in long lead times for graphic presentations.

11. Quantity Limitations

Order quantity limitations are prohibitive for some customers or markets.

12. Quality Control

Quality control is not yet at it's best. Moore must strive to minimize it's liability potential as critical cash management applications are pursued within each market.

C. IDS and the Academic Marketplace - Strengths

1. Education

Moore has a successful track record in this industry.

2. Total Source

Moore has the vast resources (or the ability to enhance those resources) to provide full service capabilities. Other divisions within the corporation can be coordinated to many provided services that currently only 'niche' competitors provide.

3. Dedication

It has been shown that IDS has been extremely successful in areas where IDS representatives have also dedicated vertically to the academic marketplace, thus providing the customer with technological and market expertise.

4. Philosophy

Moore's partnering philosophy and abilities are very similar to the philosophies of this marketplace. Servicing and project management are requirements in this marketplace.

5. Definable Market

The market is definable and represents solid, repetitive business.

D. IDS and the Academic Marketplace - Weaknesses

1. Minimum Quantities

Moore is seen by some Universities as too large. Minimum order quantities can be restrictive, in some cases relating to student markets.

2. Core Conflict

Education accounts remain part of the IDS/Core conflict. Academic Market Focus has not been maximized within IDS.

3. Creative Services

Moore has limited creative services to provide development and fund raising expertise, greatly utilized in this industry.

4. Needed Services

Consultants are rampant in the industry. The IDS team currently has no industry expert on staff that might offer an institution what a consultant can.

5. Profitability

Some academic orders are currently unprofitable.

VI. KEY ISSUES/OPPORTUNITIES

Moore's key opportunities fall into three categories:

A. Alumni Development and Communication Mailings

Communications with alumni are on-going and more prevalent than ever with rising education costs. Academic institutions across the country are rapidly enhancing their internal data management systems, and refining information on their alumni for fund raising campaigns, student recruitment campaigns, etc.

IDS Program Needs

- Development services and expertise (i.e.; image enhancement and response generation expertise).
- Clarification of the roles of Moore Corporation entities and how they can work together (i.e.; as of May, Response Graphics still advertises in CASE Currents...stating many of the same services we offer. Will they continue an aggressive approach within this marketplace? Might we work together on some applications utilizing their equipment, as we plan to with MDMS).
- Enhanced production capabilities that would allow for more creative mailing packages.
- Creative services.
- Telemarketing/phonathon services.
- Data base management services (address correction, demographic evaluation, etc.).
- Consulting mentality with consulting services and pricing structures.
- IDS visibility in the industry.
- Partnering with Major Academic software companies.

B. Student Recruitment Services

Enrollment is down across the United States and many "new" education choices are available to the limited number of potential students. Academic institutions have become extremely marketing oriented and sophisticated data processing techniques are being used to establish requirement data bases. These mailings are done at minimum twice a year, every year. Although they can be direct mail oriented, if this market is not being addressed by Response Graphics, it will represent many opportunities for IDS.

IDS Program Needs

- Creative services and marketing expertise.
- Data base management and manipulation services.
- Back end statistical analysis services.
- IDS visibility in the industry.

C. Student Services

The most appealing area that has barely been addressed by IDS, is the student service area. Student service include grade reports, quarterly statements, student fee bills, vehicle registrations, loan coupons, etc. Twelve million students across the United States receive these mailings many times every year. Competition appears to be in-house operations.

IDS Program Needs

- An extensive market research survey/study via Market research to potentialize this area and determine program needs, such as applications for the front end envelope equipment.
- Confidence in IDS product quality and timeliness.
- Partnering with major Academic Software companies.

VII. MARKETING OBJECTIVES AND STRATEGIES

In the past Moore has provided limited support and planning to the academic marketplace. We have had many successes but have barely touched the surface. With greater focus, this marketplace could provide IDS with a much greater steady, consistent flow of business. It is also a marketplace where future success would greatly enhance Moore's reputation in the business communication industry.

It is the intent of the Marketing Objectives to:

1. Increase Market Penetration and Market Share

Moore IDS currently sells actively to 85 accounts. This figure can only be improved and with very little investment and by clarifying IDS representative roles. The market is definable and easy to reach.

2. Increase Moore's Visibility in These Accounts

Many education accounts have heard of Moore's 'forms' business. Very few people in this industry recognize Moore as an information processing company. As stated earlier, Moore's reputation is highly recognized in this industry.

3. Improve Profitability in the Academic Account Sales

With further competitive evaluation, increased program enhancements and more detailed database information, determinations can be made about concessions and cost savings approaches.

The 67 million potential for the industry is quite conservative and is based on the products that we have today in IDS. With specific programs relating to program enhancement, pricing, distribution and promotion Moore's current academic sales can be improved, and Moore will gain.

MARKETING OBJECTIVE # 1 - PROGRAM ENHANCEMENTS

Currently, the only "marketable" system or package to the Moore IDS representatives is an alumni survey offering. This program needs to be enhanced, but more importantly new programs/products must be developed to increase account penetration. Traditionally the IDS reps and Core reps have verbalized the need for marketing direction and focus. The target market of higher education will be segmented into three areas:

- Alumni Communication and Development
- Student Services
- Student Recruitment

Products/programs will be developed for each area. It must be noted here that areas of alumni development and student recruitment fall under IDS' and Response Graphics definition of direct mail. Because Response Graphics may not be pursuing this marketplace, is is assumed in the objectives, strategies and action items that IDS should and will pursue this business.

The areas of School Boards, School Districts and academic related Associations will also be evaluated for IDS opportunities.

Strategy/Action Items	TIME FRAME	COMMENTS
ALUMNI DEVELOPMENT AND COMMUNICATIONS		
1. Develop a formal mutual marketing program for alumni survey and directory program with Moore Data Management services.	Completion Fourth Quarter 1988	
ACTION ITEMS • Evaluate current system being marketed in the Boston area and conduct additional customer research for program input. • Formalize specifications of the program with Moore components and MDMS. • Evaluate and recommend appropriate compensation plan for the Mutual Marketing Program. • Present to upper management in both companies for final approval. • Design, create and produce program release material. Release to both sales forces. • See promotion objective for visibility campaign.		

Strategy/Action Items	TIME FRAME	COMMENTS
2. Research and prepare a fundraising and development services marketing/training package. ACTION ITEMS • Clarify the roles that IDS and Response Graphics will play in the education market plan. • Define the parameters of 'solicitation' for IDS reps - i.e. what can be sold, what can be marketed, etc. • Develop a fundraising/development training seminar or module in conjunction with key consultants or professional training companies for IDS reps that are heavily involved with academic accounts (Table 10 -) • Research a potential telemarketing offering via internal resources, partnering with outside vendors (i.e. Lewis & Associates, Teleconnect) etc for specific alumni programs: 1) survey follow up 2) phonathons 3) mailing follow up 4) directory sales • Research the need for additional data processing capabilities. 1) name search 2) data base management/manipulation (alumni, lost alumni) 3) file maintenance (donation tracking, information updates, etc.) 4) statistical analysis/target data processing • Consider potential partnering arrangements with appropriate consulting firms.	Third Quarter 1989	

Strategy/Action Items	TIME FRAME	COMMENTS
3. Evaluate the need for enhanced creative and copy writing services. ACTION ITEMS • Establish task force with market managers and IDS support to potentialize and identify creative service needs. • Present finding with budget to Director of Marketing and Associate Director of Corporate Communications.		
STUDENT RECRUITMENT 1. Research and identify need components for approach to this segment. • list purchasing, processing and target manipulation • creative/copywrite needs • return analysis • fulfillment		
STUDENT SERVICES 1. Research and develop a student service applications program with the assistance of market research. • formalize a strategizing session with Larry Mahoney in research to accomplish and identify: - potential applications (specifically grade reports, billing, student fees, class registration, ticket sales - customer needs (i.e. mailing systems, equipment, data processing) - customer survey	Third & Fourth Quarters 1988 Program Release Second Quarter 1989	

Strategy/Action Items	TIME FRAME	COMMENTS
2. Proceed with contact and possible partnering arrangements with national software companies (i.e. Information Associates, Pocolian, etc.).	Ongoing	
3. Develop market research plan with financial market manager to formalize a strategy for student financial loan institutions.	Third Quarter 1989	
4. Evaluate appropriate employer/employee communication applications.	Ongoing	

MARKETING OBJECTIVE # 2 - PRICING

At present, the pricing structure for IDS is based on the traditional Moore core product pricing structure. The goal of the marketing program enhancement objectives will be to maintain profitable sales with products and services that add features and services and add to the customers' perceived value of the product. These new products and services will be evaluated based on competition, market levels and customer 'value' perceptions and recommendations will be made on an ongoing basis to add consulting and program design and management fees where appropriate. Current business will be evaluated closely, those accounts that are not profitable will be researched and strategized to improve profitability.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Begin tracking current customer situations and penetration vs competitive information.	Ongoing	
2. Utilize extensively the IDS database to track past, current and future information relating to applications, pricing levels, competition, etc. • obtain specifics reports from the systems when it is up and running.	Ongoing	
3. Track and evaluate competitor services and pricing. • formalize filing system specific to education • maintain lost order information • release appropriate information via IDS Newsletter	Ongoing	
4. Research and track consulting firm offerings, pricing. (Evaluate an industry shift to perceived value pricing.)	Ongoing	

MARKETING OBJECTIVE # 3 - DISTRIBUTION

It is the goal of the educational target marketing program to increase market penetration and visibility. Account coverage and penetration by IDS representatives has been evaluated, and has been very limited. This conflict identified earlier must be eliminated for IDS to achieve a greater market share.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Formalize recommendation to assign at minimum, the largest institutions (top 2000) to an IDS representative or specialist. • utilize IDs database, IS, etc. • develop formal plan - route to Area V.P.'s, Regional IDS Managers, etc.	Third Quarter 1989	
2. Finalize strategy in conjunction with Response Graphics for maximum and professional penetration into all aspects of the market.	Third Quarter 1989	
3. Establish target software, consulting and telemarketing companies for potential mutual marketing programs.	Ongoing (2 By Year End)	

MARKETING OBJECTIVE # 4 - PROMOTION

The academic marketplace has limited knowledge of Moore's capabilities in information processing and communications area. Moore's current market share is 1%. It is the intent of this objective 1) to increase Moore's visibility within higher education and improve market share to 10% or 6.7 million in three years, 2) increase the vertical market knowledge base of the IDS representative.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Begin promotional campaigns via three major associations and their respective publications. Work with Corporate Communications to develop an image or theme for the academic marketplace. • NACUBO - National Association College and University Business Offices - targets top administrators in all aspects of the business operations • CASE - Council for Advancement and Support of Education - targets the top administrators in Alumni Development, Recruitment and Admissions • Chronicle of Higher Education - targets top level people in all aspects of education • Maintain membership in CASE and NACUBO, to receive current industry information, publication of Moore's name in directory of services, etc. • Maintain contacts within each association for industry pulse information, ongoing research and Moore's visibility • Evaluate mutual ad campaign with MDMS with new release • Pursue guest speaking, testimonial articles, etc. within each	Ongoing	
2. Proceed with "image" campaign and develop a complete IDS Educational Services brochure.	Second Quarter 1989	
3. Continue with vertical market training via IDS Newsletter and special releases.	Ongoing	

Strategy/Action Items	TIME FRAME	COMMENTS
4. As new programs are release (i.e. MDMS Mutual Marketing) pursue a direct mail campaign.	Second Quarter 1989	
5. Maintain participation in appropriate trade shows • NACUBO • CASE • Postal Forum		

MARKETING OBJECTIVE # 5 - ASSOCIATIONS

As part of the vertical market approach, appropriate associations will be researched for:

- potential partnering
- mailing communication applications research

Strategy/Action Items	TIME FRAME	COMMENTS
1. Maintain communications nationally and with local rep with CASE, NACUBO.	Ongoing	
2. Begin contacting (with local rep) NAE, etc.	Fourth Quarter 1989	
3. Develop task force with other market managers to formalize horizontal application packages that would meet the needs of all markets.		

MARKETING OBJECTIVE # 6 -MARKET RESEARCH

It is the intent of the dedicated vertical market planning to continue on-going market research for all above objectives and for general industry updates.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Customer interviews - visit Boston and other key IDS academic areas	Third Quarter 1988	
2. Maintain appropriate periodicals.	Ongoing	
3. Maintain key contacts in the industry.	Ongoing	
4. Continue to work with Moore Market Research to develop ongoing competitive and market intelligence. • Plan for an annual customer focus group	Second Quarter 1989	
5. Evaluate on an ongoing basis other potential SIC code target customers: A Board of Education B School Districts (Public) C Secondary D Libraries • Develop strategy with market research (i.e., survey, telephone research, etc.)	Ongoing	

MARKETIN JECTIVE # 7 - TRAINING/NEWSLETTER/SUPPORT

Vertical market training for education will be incorporated into the IDS formal Phase I and Phase II. Ongoing support and education will be made via newsletter articles, field presentations and phone support.

Strategy/Action Items	TIME FRAME	COMMENTS

VIII. MARKETING BUDGET TOTALS

Education	Remaining 1988	1989 1st	1989 2nd	1989 3rd	1989 4th
Trade Shows				CASE $ 1,200 NACUBO $ 1,000	
Industry Conferences/ Seminars	$ 500	NACUBO $ 300	CASE $ 200	NACUBO $ 300	CASE $ 200
Association Membership CASE NACUBO			CASE $ 825	NACUBO $ 650	
Brochures/Promo Development Printing			$ 4,000 $17,000		
Research Study	$ 5,000			$ 5,000	
Customer Focus Group	$13,500		$13,500		$13,500
Advertising Ad Development Ad Space			$10,000 Currents $ 2,000 Chronicle $ 1,000	NACUBO $ 2,000 Chronicle $ 1,000	Currents $ 2,000 Chronicle $ 1,000
Travel Program Development Program Support	$ 1,200 $ 400	$ 1,500 800	$ 1,500 $ 1,500	$ 1,500 $ 2,000	$ 1,500 $ 2,000
Program Release Packages (EDM, etc.)		$ 1,000		$ 1,000	
Personnel					
TOTALS	$20,600	$ 3,600	$51,300	$17,150	$20,200
GRAND TOTAL					$97,250

IX. **FORECAST**

1987	1.3	Million
1988	2.1	Million
1989	4.0	Million
1990	5.3	Million
1991	6.7	Million
1992	10.8	Million
1993	13.4	Million

Methodology:

1987: The education marketplace is very definable in terms of market potential. Without any IDS marketing focus on this vertical, we have achieved 1.3 million in sales.

1988: The January anouncement of the vertical market strategy has stimulated a great deal of activity in academic accounts. The impending Moore/MDMS program has generated new ideas and targets for the sales force. Also, Moore has participated in 3 trade show/conferences in 1988, that have already begun our visibility campaign.

1989-1993: As organized, targeted market programs are developed several results will occur that will increase sales and market share.

1. "Turnkey" profitable programs. Target accounts and contacts will be identifable. Programs will be easier to sell, down time will be decreased. Account penetration will increase.

2. Profitable manufacturing/service methods will be identified and implemented.

3. Market knowledge and awareness will be much greater and "new" products/services will be introduced into the market prior to the competitor.

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

MIDWEST

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	Case West	258	3849	31523	0	-3.9	-1261
		403	3148	6938	-17.9	43.9	3049
2	Cleveland State	203	3140	12555	-6.6	26.9	3381
3	U of I	403	3140	8393	0	14.7	1233
4	Tristate U	203	3140	6188	34.1	-13.8	-859
5	NWU	203	3280	5716	0	-11.4	-657
6	Pub School Teach	263	8110	2447	8.2	19.8	484
7	Ohio Univ	203	8020	4349	11.7	-29.3	-1278
8	SD State	403	3148	12189	12.0	13.9	1699
9	Malone	203	3140	6120	0	20.2	1237
10	Delta Sigma	263	8020	4798	0	28	1344
11	Elmhurst	263	8020	10223	0	28	2863
12	Milw Pub Sch	203	3140	6699	22.3	-2.0	-138
13	Cleve State	203	3040	4865	-16.4	35.9	1748
14	Cleve Inst Elec	203	8020	25370	35.9	-53.5*	13611
15	Ill State	263	8100	1904	0	28	533
16	Ball State	203	3140	7107	0	202	1436
17	Delta Signa	263	8020	6444	0	28	1805
18	East Mich	203	3270	9796	-50.1	40.6	3979
19	Wayne ST	203	3140	6006	15.1	5.1	307
20	Grand Rap PS	263	8100	2278	0	28	637
21	SD State	403	3148	4063	12	13.9	566
22	U of I	403	3140	2798	0	14.7	411

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

EAST

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	Niagara U	403	3140	5271	4.4	15.5	818
2	Canisus C	203	3270	1953	0	-9.5	-188
3	Daeman	203	3270	3582	0	-9.5	-344
4	Drexel	203	3140	43	-253.4	272.1	117
5	Temple U	203	3044	10739	-22	35.6	3818
6	Harvard	203	3270	19403	0	-9.5	-1863
7	Boston C	263	8100	2839	0	28	795
8	MIT	258	3849	1469	0	-3.9	-59
		263	8020	15954	-2.6	30.7	4896
9	Boston U	203	8020	27319	-8.3	-9.1	-2526
10	Tufts U	263	8020	4770	0	28	1336
11	Merrimack	203	3280	7026	-3.0	-7.4	-525
12	U of Lowell	403	3148	11721	0	25.9	3036
13	Canisus	203	3270	2570	0	-9.5	-247
14	Hobart & Smith	263	8100	1963	0	28	546
15	U of Rich	263	8020	5662	0	28	1585
16	Scranton	203	3040	5404	-6.2	25.6	1386
17	U of Pitts	203	3048	8913	0	13.3	1185
18	Maryland/Blind	203	8020	9800	0	-17.6*	-1734
19	Temple	203	3044	3580	-29.9	35.5	1271
20	Fairfax County	203	8100	2157	-3.4	31.5	679
21	Yeshiva	203	3140	8147	0	20.2	1645
22	Johns & Wales	263	8020	105643	-12.7	40.8	43085
23	Seton Hall	203	3280	14374	0	-11.4	-1654
24	Int Ed Consult.	203	3280	16541	5.1	-16.5	-2742
25	Rets Elec	203	3280	16541	5.1	-16.5	-2742
26	MIT	203	3845	2049	0	39.7	813
27	Meet St Sch	203	3040	8083	8.2	11.2	904
28	Nat Ed Corp	203	8020	81980	-5.6	-11.9*	-9846
29	Penn St	203	3140	8955	0	20.2	-1809
			3200	13361	0	-22.2	-2979
			3540	3473	1.6	23.5	815
			8020	16257	0	-17.6	-355
30	Am Inst Proptle	203	3148	28097	0	15.9	4468
		403	3141	33431	2	25.4	8501
31	George Mason	203	3040	2432	0	19.4	472
		203	3540	2450	35.0	-9.8	243
32	Maryland Sch	203	8020	29399	0	-17.76	-5203
33	Rutgers	203	3148	12425	0	15.9	1976
			3540	3845	33.6	-8.4	-327
			3560	-380	62.4	-36.7/11.3	140
		263	8020	2780	0	-28	778

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

SOUTH

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	City of Abilene	203	3110	5538	26.4	-37.5	-2084
2	Gramb St	203	3040	5357	0	19.4	1040
3	Texas Tech	203	3140	10359	0	20.2	2091
4	Tulane	203	3140	16300	0	20.2	3292
5	MS St Bar	203	3040	5553	0	19.4	1077
6	Texas A & M	203	3100	8560	0	11.4	976
7	Queens	203	3040	4277	-8.6	28.1	1203
		258	3849	-	0	-	-
8	Harding	403	3140	12256	1.3	18.6	2276
9	NC Wes	203	3140	-39	0	15.4	-6
10	High Point	203	3040	4666	0	19.4	906
11	Wm Morris	203	3040	6702	0	19.4	1301
		258	3140	0	0	0	-
12	Queens	258	3849	1028	0	-3.9	-41
13	Amer Tech U	403	3040	7178	11.6	6.6	475

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

WEST

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	Palomar Com	403	3140	26451	-1.7	21.7	5733
2	Pomona	403	3040	9850	0	18.2	1792
3	Maricopa	203	3200	21927	-5.3	-16.8	-3706
		403	3140	6333	30.8	-10.8	-693
4	N Ariz	403	3040	5688	-2.8	21.1	1199
5	U of N Mex	403	3140	6637	-7.6	27.6	1831
6	San Ram Val	403	3040	-	0	-	-
			3140	350	0	-999 ?	-350
7	Iolani	403	3140	8252	.5	19.4	1597
			3540	2268	0	31.4	712
8	Stanford	403	3148	560	128.7	-102.8	-576
9	U of Ariz	403	3140	12253	3.8	16.1	1976
			3555	7046	38.9	-9.9	-705
			3564	12386	45.5	-22.1(-4.6)	-2750
10	San Jose St	403	3040	9500	0	18.2	1728
11	Pepperdine	203	3200	18769	0	-22.2	-4186
		403	3140	17160	4.8	9.9	1695
12	San Diego	403	3148	41747	-2.7	28.7	11972
13	LA Comm	403	3144	58690	-2.3	29.8	17513
14	Stanford	403	3148	15966	-4.2	30.2	4822

2183M

INFORMATION DISTRIBUTION SERVICES

VERTICAL MARKET PLAN
TELECOMMUNICATIONS

AUGUST, 1988

Debra J. Hutmacher

TABLE OF CONTENTS

PAGE

I. EXECUTIVE SUMMARY

II. PURPOSE

III. INTRODUCTION

A. Information Distribution Services
B. Company Situation
C. Telecommunications

IV. SITUATION ANALYSIS

A. Market Situation

1. Market Definition
2. Market Trends & Requirements
3. Market Potential

B. Customer Situation

1. IDS 1987 Telco Customers
2. Customer Attitudes
3. Target Market

C. Product Situation

1. Product
   a. Mix
   b. Applications
2. Pricing Profitability
3. Distribution
4. Promotion

V. STRENGTHS AND WEAKNESSES

A. IDS Strengths
B. IDS Weaknesses
C. IDS and the Telecommunications Marketplace - Strengths
D. IDS and the Telecommunications Marketplace - Weaknesses

VI. KEY ISSUES/OPPORTUNITIES

VII. MARKETING OBJECTIVES, STRATEGIES

VIII. TOTAL BUDGET

IX. FORECAST (1988-1991)

X. EXHIBITS

TABLES

PAGE

1. PRODUCT LIFE CYCLE 1987
2. PRODUCT LIFE CYCLE 1992 FORECAST
3. SIC CODE BREAKDOWN
4. UNITED STATES TELCO'S BY AREA
5. COMPANY SIZE BY OWNED ACCESS LINES
6. U.S. TELECOMMUNICATIONS SERVICES MARKET
7. MARKET SEGMENTS
8. AREA ACCOUNT BREAKDOWN IN 1987
9. PRODUCT CODE BREAKDOWN
10. PROFITABILITY EVALUATION
11. COMPETITIVE ANALYSIS

EXHIBITS

PAGE

I. TELECOMMUNICATIONS

II. RED VERTICAL PACKAGE

III. EQUAL ACCESS PROGRAM

IV. COIN REFUND

V. "STRATEGIC BILLING"

VI. MCKINSEY SURVEY

VII. COMPREHENSIVE 1987 PROFITABILITY

TELECOMMUNICATIONS/ MARKET PLAN SUMMARY 1988-1989

IDS sales to the telecommunications marketplace in 1987 were at 7.9 million. In the past a great deal of marketing effort has been placed on core product contracts specifically relating to the BOC's. In 1987 half of the IDS volume was with the BOC's and the other half was with the independant and long distance market. Much of the BOC volume related to equal access mailings, wire maintenance and marketing type mailings. A conservative market potential has been established at **307 million.** This figure includes mailings for billing, marketing/informational, cards, consumer communication/rate refunds, employee related mailings and response analysis applications. (There are approximately 125,000,000 access or billing lines and 20,000,000 telco employees in the United States)

The target markets for telecommunications marketing objectives will be Local Exchange carriers other that the BOC's, long distance carriers, and enhanced service providers. The BOC arena will not be approached with market programs at this time, however networking support would continue to be provided via newsletters and a committee that would follow regulatory actions from the government. These accounts are each unique in their own way and often provide services that are competitive with Moore, therefore other areas of telcom will be researched and developed. There are about 1000 target accounts.Target applications in these accounts will include billing, regular financial and employee related mailings and federal and state compliance type mailing systems.

The industry itself has become very complex and many telco 'resellers' have surfaced. These resellers utilize lines and equipment of other companies and then service specific areas within the country. Technology is somewhat universal in the industry and many experts say that it is no longer what a company markets but how it markets. Marketing programs must be developed that move away from Response Graphics promotional type mailings to more repetitive business communication mailing systems. IDS is somewhat know in the industry, but cannot compete with major direct mail companies in the industry. Moore will also need to provide more value added services relating to data base management, credit card validation, etc.

Several trends in the telecommunications industry are apparent that will affect marketing direction:

-Telecommunications as a regulated utility had represented a no growth industry. As a result of deregulation the industry is growing rapidly.
-The shape of the furture in telecommunications rests on resolutions of a number of important unsettled issues, especially those regarding line-of-business restrictions on the RHC's.
-Technology is continually being enhanced and updated, however, industry networks build on each other and product differentiation is difficult to distinguish between companies.
-Deregulation has brought about extensive competition in the industry
-Because much of the industry does remain regulated by the FCC and State Public Utility Commissions many mailings result from day to day changes.
-Telecommunication companies represent large numbers of employees and many employee/employer communciation opportunities exist.
-The industry is communications intensive. Although many applications are being replaced by data communication many paper based communications still exist.
-Telephone customers are not solely interested in paying the lowest price for basic service telephone. Consumers are asking for customized service and billing.

Moore's strengths and weakness's can and will be addressed in future marketing programs:

Strengths:

- Moore is known in the telecommunications marketplace from past marketing efforts in core products. The Wire Maintenance and Equal Access programs have placed Moore as a viable player in the information processing marketplace.
-Dedicated telecommunication account reps are currenty in place, therefore the industry remains aware of Moore.
-Moore IDS has and continues to develop technology to meet the needs of one of the largest communication-intensive marketplaces.

Weakness's:

-Quite obviously, the Telecommunications industry continues to develop paperless communicaiton technologies.
-The players are changing daily because of regulatory issues and competition. Moore's IDS role in the industry has been impossible to define. Most of our IDS orders have been marketing mailing related and this area is truly defined as Response Graphics.
-Dedicated IDS focus has not been in place on this industry. (Core reps handled 92% in 1987)

Marketing Objectives:

1. Define Moore's role in the newly deregulated industry.
2. Increase market penetration and market share within non-BOC telco's.
3. Improve profitability in the telecommunication accounts.

Key opportunities and Strategies:

Product

a.Evaluate and redesign the coin refund program in conjuction with other 'pay back' programs for non-BOC telco's
b.Develop a mutual strategy with Core telco for future regulatory monitoring, news releases, customer newsletter.
c.Establish an internal networking comittee to maintain awareness of legislative issues for preparation of formal releases to the field.
d.Formalize a proposal to Corporate Communications for increased creative services and copywriting support for telco accounts.
e.Contract with appropriated industry consultant to assist with market research to identify key niches for IDS communicatiuon products and services within the identified target markets.
f. Design and coordinate a customer focus group of target accounts for a billing services program. Research, develop, and release a formal telco billing program.
g. Establish a formal competitive evaluation for target telco's.

Pricing

a. Utilize IDS data base for formal tracking of lost order information, competive service information and pricing. Evaluate consulting offerings with value added pricing.

Distribution

a.Formalize recommendation to assign the top LEC, Independants, Long distance carriers, Enhanced Service Providers and Cable companies. Formalize recommendation to keep formal marketing strategies to BOCs within the Area Telco Managers Responsibilities. Continue with biannual telco meetings with area Telco managers.

Promotion

a.Begin promotional campaigns via key associations (TIA, National Long Distance Carriers) Continue with vertical market training via IDS newsletter and special releases.
b. Establish customer newsletter with Core market specialist.

Associations

a.Evaluate telco associations for horizontal applications.

Market Research

a. Ongoing market surveys and customer focus groups where appropriate

Forecasts:

1987 7,915,483
1988 10,200,000
1989 13,600,000
1990 15,000,000
1991 17,500,000
1992 20,100,000
1993 23,746,449

	1988	1989-1	1989-2	1989-3	1989-4
Marketing Objectives:					
1. Define Moore's role in the newly deregulated industry.					
2. Increase market penetration and market share within non-BOC telco's.					
3. Improve profitability in the telecommunication accounts.					
Key opportunities and Strategies:					
Product					
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b.Develop a mutual strategy with Core telco for future regulatory monitoring, news releases, customer newsletter.		X			
c.Establish an internal networking comittee to maintain awareness of legislative issues for preparation of formal releases to the field.		X			
d.Formalize a proposal to Corporate Communications for increased creative services and copywriting support for telco accounts.			X		
e.Contract with appropriated industry consultant to assist with market research to identify key niches for IDS communicatiuon products and services within the identified target markets.	X				
f. Design and coordinate a customer focus group of target accounts for a billing services program. Research, develop, and release a formal telco billing program.			X		
g. Establish a formal competitive evaluation for target telco's.	X				
Pricing					
a. Utilize IDS data base for formal tracking of lost order information, competive service information and pricing. Evaluate consulting offerings with value added pricing.	X	X	X	X	X
Distribution					
a.Formalize recommendation to assign the top LEC, Independants, Long distance carriers, Enhanced Service Providers and Cable companies. Formalize recommendation to keep formal marketing strategies to BOCs within the Area Telco Managers Responsibilities. Continue with biannual telco meetings with area Telco managers.	X			X	
Promotion					
a.Begin promotional campaigns via key associations (TIA, National Long Distance Carriers) Continue with vertical market training via IDS newsletter and special releases.			X		
b. Establish customer newsletter with Core market specialist.					X
Associations					
a.Evaluate telco associations for horizontal applications.				X	
Market Research					
a. Ongoing market surveys and customer focus groups where appropriate			X		X

Forecasts:

1987 7,915,483
1988 10,200,000
1989 13,600,000
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I. EXECUTIVE SUMMARY

In January of 1988, the IDS Marketing Department began a vertical market focus. Telecommunications has represented the largest market for IDS in the past. IDS currently has about a 2% market share.

Technological advances coupled with regulatory and legislative decisiions continue to shape this complex and dynamic market segment.

The Telecommuncations marketplace has grown dramatically in the last four years. It is the goal of market programs to identify niche areas within this industry for business communications applications.

II. PURPOSE

The purpose of this marketing plan is to:

A. Establish the IDS market potential for products and services in the telecommunications market.

B. Develop marketing objectives that will coordinate the Moore IDS Departments of Marketing, Manufacturing, IS and Sales to achieve maximum market share in the telecommunications industry.

C. Maximize the resources available throughout Moore Corporation to penetrate the Telecommunications marketplace.

III. INTRODUCTION

A. Information Distribution Services

The past several years have revealed a trend in the U.S. away from the traditional manufacturing philosophy toward an economy based on services, new technologies and management. Moore has responded to this trend by capitalizing on it's advanced imaging and response processing capabilities to formulate Information Distribution Services.

Because of Moore's penetration into the mailing service market, additional customer needs have been identified such as service needs, project management, database management and data manipulation and transmission. More recently it has been identified that a Vertical Market focus is truly required to penetrate the images and information marketplace with IDS products and technology.

In January of 1987, an IDS sales force of 120 representatives and managers was established to sell IDS products to eight vertical markets. Long term growth for Moore IDS will depend on strategic positioning within these markets. The nature of the IDS service offering necessitates a high level of application expertise for project definition along with specific knowledge of the customer's industry.

The IDS Marketing structure was redefined in January of 1988 to identify customers needs and to marry those needs to our current and future technological planning. This market strategy will focus on industry segmentation to establish IDS expertise within defined markets:

Education
Telecommunications
Insurance
Healthcare
Financial
Government
Utilities

The IDS Mission Statement:

"The mission of Information Distribution Services is to profitably provide products, services and systems solutions for vital business communication needs that result in increased efficiencies and or effectiveness for our customers."

A strategic planning committee was established to address many issues relating to the future growth for IDS.

- MARKET DEFINITION
- HUMAN RESOURCES
- DATA PROCESSING
- DEVELOPMENTAL NATURE OF BUSINESS
- ORGANIZATION
- RESEARCH AND DEVELOPMENT
- SALES EXPERTISE AND TRAINING
- PROMOTION
- DEFINITION
- IDENTITY
- SERVICE MENTALITY
- QUALITY
- DISTRIBUTION
- SALES DOWN TIME

The strategic plan has recently been completed.

"The market for IDS products/services is being created. Growing internal demands on in-house data processing systems are creating opportunities for data processing services and communications distribution from one source. The Moore customer base has been receptive to this new venture and IDS has been able to take advantage of the Moore name and reputation. Most IDS customers have been Moore core product customers for a number of years. The market focus for IDS has developed around mailing packages and services from a single source." (IDS Strategic Plan) Primary emphasis has been placed on eight vertical markets determined to be mailing intensive:

	1987 Net Sales	% to Total
Telecommunications	7,915,483	15.4
Financial	7,417,281	14.4
Government	5,988,511	11.6
Retail	3,774,249	7.3
Insurance	2,076,066	4.0
Education	1,304,510	2.5
Healthcare	1,113,126	2.2
Utilities	686,204	1.3
Others	21,179,810	41.3

The 1987 Product Net Sales were:

	$(000)	$(000)
Compurite	37,271	72.3
Electronic Printing	11,906	23.1
Response Analysis	2,369	4.6
TOTAL	51,546	100.0

(Dedicated Volume - $17,140,336 - Core Volume $34,314,904)

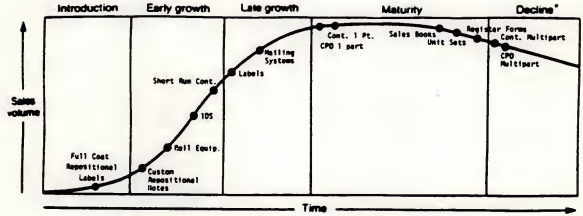
B. Company Situation

The Company is in excellent financial condition with $173 million in cash, total debt of $90 million and equity exceeding $105 billion.

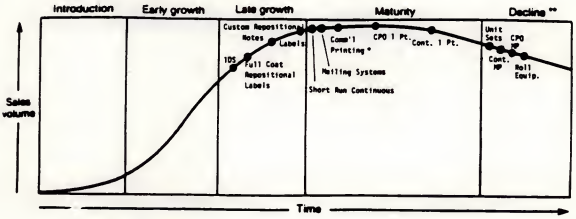
Slowing growth in the forms industry has brought with it increased competition. Moore's new focus and marketing's challenge is to improve performance of products and services in each phase of the life cycle. **IDS is still considered in an early growth cycle by the company.** IDS along with other new high growth, high margin areas (i.e., Response Graphics, Automatic Identification Systems, etc.) comprised approximately 12% of Moore's revenues in 1986.

A segmentation strategy will be used to achieve overall market success with all other products as well. Targeting customer groups based on vertical market, account size, buying behavior and services required brings Moore closer to customer's and the solutions to their business information needs.

Product Life Cycle 1987 - Table 1



Product Life Cycle 1992 Forecast - Table 2



C. Telecommunications

Total 1987 IDS Sales - $51,455,240
(Dedicated Volume - 17,140,336 Core Volume - 34,314,904)

IDS sales to telecommunications accounts represented approximately 15% of total IDS volume in 1987 to approximately 85 accounts:

Telecom 1987 IDS Net Sales - $7,915,483
Concession 6.4%

* Because IDS produce codes have changed several times in the last 5 years, accurate 1985 and 1986 SIC code sales are not available.

Telecom 1987 Sold Accounts:
Bell Operating accounts (including AT&T) - 23
Independents - 46
Cable - 17

In order to evaluate the potential, profitability and to make future assumptions about IDS and the telecommunications area, past Core Volume is noted:

Total Telecommunications	1985	1986	1987
Core Volume (List)	39,789,322	38,792,694	37,229,259
Approx 1156 Active Accounts			
Overall Core Concession Levels	23.2%	22.9%	21.4%

* It is important to note that telecommunications core product sales have consistently decreased the last three years, while it is assumed that IDS Sales have increased in proportion with overall IDS Sales. This factor may be a result of:

  1. Decreasing marketing emphasis in telecommunications the last two years.

  2. There may be an increase in IDS type applications that may be replacing traditional Core systems.

Major **marketing support** focus has been placed on the Telecommunications industry within Moore for Core products in the past. A National Telecommunication manager was in place for many years holding responsibility for organizing national sales efforts to telecommunication accounts. These efforts were largely spent on the BOC's and core products. Budgetary reasons ended this position. During that time a customer brochure was developed that included all of Moore's products available to this vertical market. (**Exhibit I**)

Past IDS marketing efforts have related to support and product functions and very little has been uncovered for new IDS opportunities other than reactions to regulatory activities through the government. A vertical market package was released to the field several years ago to assist the representative in identifying telecommunications IDS opportunities but was developed completely around past Moore successes (**Exhibit II**). An **Equal Access** program was developed and is winding down as the government completion date approaches. (**Exhibit III**) Moore also developed a **Coin Refund** (**Exhibit IV**) program but is currently sold to only one customer (Wisconsin Bell). The feedback from customers in the past has been that this program is cost prohibitive.

The Telecommunications environment has become highly competitive as a result of divestiture in 1984. Profitable IDS orders are replacing many core applications because of the increased focus on marketing and technical sophistication among telco's and interexchange carriers and their potential customers.

Marketing programs in 1988 and 1989 will aggressively pursue:

A. The following Target markets:

- The top 150 independent telcos
- Interexchange carriers
- Alternative services
- Cable

B. Development of IDs programs within Telcom that are repetitive in nature (i.e., development of billing services, benefit programs, proxys, coin refund, etc.)

C. Increase Moore IDS visibility and market share with the Independent Telcos and Interexchange carriers as well as Enhanced Service Providers.

D. Clarification of current account representation by IDS representatives to assure deeper IDS penetration into the marketplace.

E. Extensive IDS training to non-IDS representatives solely handling Telco accounts.

F. A system study of the facilities management concept in the telco industry.

IV. SITUATION ANALYSIS

A. Market Situation

1. Market Definition

a. SIC code definition

Moore IDs Telco accounts fall into seven SIC codes:

TABLE 3

SIC Code	ESTABLISHMENTS IN US TOTAL	LARGE	# OF ACCTS	LIST SELL	CONCESSIONS
4812 - Radio Telephone Comm	13	3	0	0	0
4813 - Telephone	2000	380	68	5,945,542	.7
4822 - Telegraph, electronic mail, etc	1106	7	0		
4832 - Radio Broadcasting	6826	51	1	31,889	0
4833 - Television Broadcasting	1994	176	1	25,720	38.9
4841 - Cable and other Pay TV	7690	79	7		1
4899 - Other communication services (incl long dist)	463	31	12	1,901,952	13.1

b. The telecommunication industry and its subsegments.

The telecommunications industry changed drastically in 1984 when Judge Green unfolded the AT&T monopoly. The Bell system was broken into 8 parts and the U.S. was split into 160 Local Access and Transport Areas (LATAS). The industry is generally divided into 3 primary areas: local service, long distance service and telecommunications equipment. There are approximately 1400 Telephone Companies in the United States with a total of about 125,000,000 Access lines (billing lines). There are approximately 200-250 Other Common Carriers (OCC's) and Enhanced Service Providers (EHS).

Local Service

Altogether, the 1400 non-Bell Companies (frequently referred to as the independent telephone companies), operate as regulated monopolies, providing telephone service within prescribed territories. Generally these companies are either subsidiares of holding companies or relatively small, closely held firms. The businesses generally consist of hooking up customers to the network, providing switched and non-switched local telephone service and connecting customers in their territories with long distance providers.

Some of the larger companies provide intra-lata long distance service. This consists of handling long distance calls originating and terminating within one of these 160 LATAs. In addition to providing telephone service these companies perform related activities such as mobile phone service, operator assistance, billing for the services they provide and publishing to telephone directories.

The intra-lata companies are by far the largest segment of the U.S. Telecommunications industry. In 1986, they had aggregate revenues of approximately $82 million up from about 80 in 1985.

In 1987 state utility commissions approved 2.7 million in rate increases while 5.1 million in reductions and refunds were ordered. (IDS opportunity) Regulators regard a company's allowed rate of return as a ceiling on earning and use this factor in determining rates.

Many telcos have diversified into lightly regulated or non-regulated businesses such as cellular rado telephone, the marketing of customer premises equipment (CPE), real estate management and international communications and consulting, because local telephone service is a

relatively stable but slow growth industry. Most independent consider diversification efforts as a means of increasing long term growth prospects and a higher level of anticipated return.

UNITED STATES TELCOS BY AREA - Table 4

	TOTAL # OF TELCOS (Local)	TOTAL ACCESS LINES
Midwest	637	30 million
East	166	35 million
South	407	34 million
West	200	24 million
Total	Approx 1400	Approx 124 million

NOTE: Total number of access lines are noted above according to local telco figures. It is assumed that the long distance market would be the same.

The sizes of the top 150 companies represent access lines ranging from 7000 lines to 16 million lines. 1250 companies have less than 7000 lines, therefore the 'market' of potential customers is very defined. As mentioned earlier Moore's number of active accounts in 1987 were 85 accounts which include the 22 Bell Operating Companies. The **7 RHCs** are noted in industry information as being in the top 150 and are not broken down into the Individual Bell operating companies. Therefore Moore has essentially sold to approximately 70 or the top 150 accounts.(22-7 = 85 accounts minus 15 = 70)

The BOCs represent about 94 million lines of 125 million lines nationally.

COMPANY SIZE BY OWNED ACCESS LINES - Table 5 (BREAKDOWN NATIONALLY)

# Lines	Total	RHCs	Independents
7,000 - 10,000	40	0	40
10,000 - 20,000	50	0	50
20,000 - 200,000	40	0	40
200,000 - 1MM	7	0	7
1MM - 4MM	5	0	5
11MM - 16MM	8	7	1

Long Distance Service

Long distance service is the telecommunications industry's second largest source of revenue. According to an estimate by the Yankee Group, a Boston based consulting firm, the market for long distance service amounted to 60 billion in 1987. The largest portion of the long distance market is dominated by AT&T and other

interexchange carriers, or OCCs (Other Common Carriers). To a much lesser extent the long distance market includes intra-lata calls handled by local companies.

Besides AT&T the major long distance carriers are MCI Communications and US Sprint. These companies and smaller players, such as ITT and Western Union are national in scope and most provide international service. They have made substantial commitments to building their own networks and thus are also known as facilities-based carriers. National Telecommunications Network (NTN) is a consortium of several facilities-based carriers that provides coast-to-coast all digital, optical fiber network services. Calls directed to destinations not served by their networks are completed over AT&T or other OCC lines. In addition, a great number of companies (i.e., ALC Communications) provide resale service. Typically, these companies originate calls in selected geographic areas, own their own switching systems and use leased bulk transmission facilities or discount services as their networks to complete calls. Some of the resellers have committed to building regional networks. The long distance telephone business has gone from being one of monopoly services provided by AT&T to a seemingly wide-open market, however the establishment of position by others is no small chore. The following table, breaking down long distance share, illustrates the point:

	1985	1986	1987
AT&T	67.8%	65.3%	63.4%
MCI	5.3	6.6	7.9
US Sprint	2.9	3.8	4.5
Baby Bells (intrastate)	14.1	13.6	13.0
Other	9.9	10.7	11.0

As overseers of the change and competition, the FCC has attempted to balance the contradictions inherent in its different duties by making rules that are as fair as possible to all its constituents - competitors and consumers.

Three years ago the OCC's claimed to have inexpensive rates. Relative to AT&T, spreads of 25% were not uncommon. Those price advantages were largely achievable because the OCCs had inferior access to the local network and, hence paid the local telephone companies a great deal less in access charges. But this is changing in two ways. First, the OCCs have been paying increased access charges as the locals have converted over to equal access. Service improves as a result of equal access, but so do costs. Secondly, as access charges shifted to the end user, AT&T's access costs diminished and their rates were cust by a corresponding amount.

While competition between AT&T and the OCCs for residential customers has always been intense, increasing attention has been placed on claiming a bigger share of the business market. It's not uncommon to hear that "2% of AT&T's customers account for 60% of its business revenues", "1% of all customers represent 40% of all long distance dollars", "big users represent only 20% of the customer base but they provide two-thirds of all long distance revenues". While these numbers are not hard estimates they do illustrate that the business market is both large and profitable - the industry's bread and butter. AT&T has a stronghold on the market, but the OCCs will fight hardest for a piece of this action because success here is vital to survival.

In the meantime, RHCs are beginning to form accords with other long distance providers. Recently Ameritech and US Sprint joined forces to win a $108.1 million contract to provide local and long distance services for the state of Illinois. Until now, the Bells have complained that they lose bids to provide communications networks for large customers because they are barred by court order from providing long distance service. These alliances are a way for the Bell companies to work around the restrictions and provide their customers with local and long distance service under one umbrella.

Equipment

A telecommunications network can be segmented into three broad equipment categories: switches (the hubs that handle call processing and routings), transmission equipment (receives, alters or otherwise acts on the signal and moves it from phone terminal, to switch, to phone terminal) and customer premises equipment. (Terminal equipment that initiates and receives signals and includes telephone sets, key systems, PBXs and inside wiring.) Although size estimates of the U.S. telecommunications equipment market vary widely, the Commerce Department places total 1987 shipments at about 22 billion.

The markets for phone service and telecommunications equipment are highly inter-related. Fostered by a pro-competitive regulatory environment during the 1980's, new phone service competitors increasingly came into the market. Technological development - specifically in the areas of software, microelectronic circuitry and microwave radio and digital technologies - brought more capability and processing speed to the network, thus providing a means for new and established players to differentiate themselves by incorporating intelligent equipment into a network and using it to generate more efficient, cost effective services.

Overshadowing all technical development is ISDN - Integrated Services Digital Network. The focus of alot of attention, the ISDN will be global, end to end, digital network, capable of integrating and transmitting voice, data, video and facsimile signals over a single line. ISDN today is largely a concept, end user needs are being defined, and standards are being developed to assure network and equipment compatibility.

2. Market Trends and Requirements

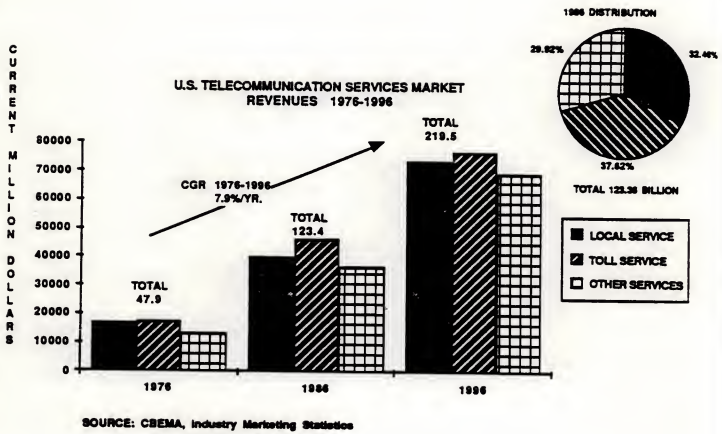
The telecommunications industry is changing daily. Several trends are apparent that will impact Moore's approach to this marketplace.

a. **Telecommunications as a regulated utility had represented a no growth industry. As a result of deregulation the industry is growing rapidly.** Revenues from telecommunication services increased by $6 million or 5.1% in 1986, about half the 9.9% growth rate experienced over the last decade. Revenues from services other than local and toll (e.g. satellite services, directory services, billing, private lines, etc.) grew at a 4.8% rate last year as did local service revenues. Toll revenues increased by 5.5%, the same rate in 1985. The average revenue per access line is $693.

Over the 1986-1996 decade, telephone service revenues are projected to grow by an average of 5.9% per year, reaching $219.5 billion in 1996, over three-quarters above their 1986 level. Revenues from local services will increase by 6.2% and those from toll services (long distance services) by 5.2% per year on average. The fastest growth among the three segments of this market will occur in other services, where revenues are forecast to grow at an average rate of 6.5% between 1986 and 1996 (see **Table 6** below). This market segment, which now accounts for 29.9% of total telephone service revenue, will represent 31.6% of the total by 1996. It is essentially changing so quickly that it is difficult to identify real IDS opportunities.

Moore must continue research and program development to meet the 'additional service' end of Telco business. In many ways Moore has begun to compete with telco's and we must explore new ways to partner and develop relationships with these companies.

Table 6



SOURCE: CSEMA, Industry Marketing Statistics

b. **The shape of the future in telecommunications rests on resolutions of a number of important unsettled issues, especially those regarding line-of-business restrictions on the RHCs:**

   - As a follow-up to the divestiture ruling in 1984, Computer Inquiry III (1986) established a process through which over time the RHCs will be allowed to provide certain services without being required to provide them through a subsidiary completely separate from a local telco.

- The RHCs continue to be prohibited from entering the long distance business and from manufacturing telecommunications equipment, therefore are continuing to expand their intra-lata and non-regulated business (i.e., billing, real estate, etc.).

Moore must remain dedicated to following the industry changes and potential IDS opportunities. With each governmental restriction or release the RHCs must notify their customer base via informational mailings, marketing endeavors, etc. There must be channels within Moore to distribute this information quickly and effectively.

c. **Technology is continually being enhanced and updated, however, industry networks build on each other and product differentiation is difficult to distinguish between companies.** When a product becomes known, all companies move to update their system offerings. The ability of the long distance and local carriers to establish an aura of exclusivity may largely become more a function of marketing ability or presentation of services (i.e., billing) then actual differences in service offerings.

Exhibit V - Strategic Billing

If we are to pursue ongoing repetitive cash flow applications within the telcom industry we must feel confident that our manufacturing process is completely accurate and timely. Extensive data processing capabilities will be required to meet the changing and growing needs of the industry.

d. **Deregulation has brought about extensive competition in this industry.** Marketing has become the critical element to survival for any telecommunications company including the BOCs.

Moore must be prepared to assist the telecommunications industry with creative and marketing expertise. Eighty percent of telecommunication companies utilize an Advertising Agency for a portion or all of their outgoing marketing mailings.

e. **Because the industry is highly regulated, many mailing opportunities often result from rulings established by the Justice Department, the Federal Communications Commission and State Public Utility commissions.**

We must be prepared at all times to be leading players in the development of mailing solutions to respond quickly and aggressively to telecommunication communication needs. On-going knowledge of these pending rulings is essential to early establishment of appropriate and key marketing programs.

f. **The top telecommunications companies represent large numbers of employees and many employee/employer communication opportunities exist, i.e.;**

AT&T	- 300,000 employees
GTE	- 100,800
Bell South	- 92,000

The telecommunications industry also has approximately 1.8 million shareholders.

g. **Although the market is growing rapidly, it is still a very definable marketplace for Moore. There are essentially 300-400 companies that should be targeted by Moore.**

h. **The industry is communications intensive.** As a utility, it reaches one of the largest populations with mailing systems. It is probably unlikely that most communications to telcom customers will become paperless in the near future.

i. **Telephone customers are not solely interested in paying the lowest price for basic service** (McKinsey Survey **Exhibit VI**). This presents a great opportunity for Moore to work in creative partnerships with telcos to assist in marketing to their customers.

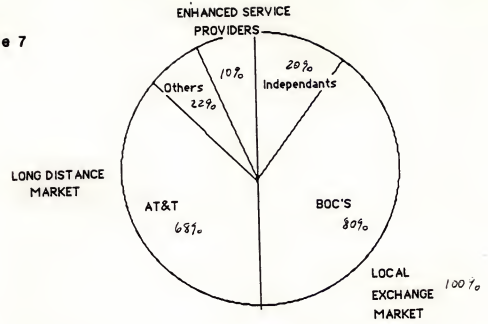
3. Market Potential

The telecommunications marketplace can be divided into several market segments for Moore:

Local Exchange - 1400 companies with 125,000 access lines (150 have greater than 7000 lines)
Long Distance Carriers - 200-300 companies with 125,000 access lines
Enhanced Service providers or Other Common Carriers (OCCs)

A conservative estimate for the total Telecommunications IDS marketplace is approximately **$307 million.**

Table 7



Telecommunication Marketplace

Methodology

The total universe of potential mailings within this industry is essentially 125,000,000 access or billing lines. this number represents the local service and long distance market. The number of combined bills is not known at this time (i.e., Illinois Bell currently bills for AT&T and U.S. Sprint customers, therefore those access lines receive one bill. AT&T is currently attempting to bring all of their billings in-house, therefore a customer may receive a local service bill and a long distance bill). I have conservatively estimated one bill per potential access line for Moore (50,000,000).

(Moore's average mailing piece price is used as an approximate per piece figure.)

Target Market

BILLING:	50,000,000 x .20/bill x 12(months)	= 120,000,000
MARKETING/ INFORMATIONAL:	125,000,000 x .20/piece x 4/year	= 100,000,000
CARD MARKET:	(Identified in Market plan for cards)	= 18,000,000
CONSUMER COMMUNICATION RATE REFUNDS, PROXYS, ETC	125,000,000 x .15/piece x 2/year	= 37,500,000
EMPLOYEE RELATED MAILINGS	20,000,000 (Telco empl) x .10/piece x 1/year	= 2,000,000
RESPONSE ANALYSIS	125,000,000 x 40% (of potential mailings) x .60/piece	= 30,000,000
TOTAL		**307 Million**

NOTE: The above figure does not include cable market potential at this time. Also it is important to note that this figure is based on current capabilities and services. In recent months Moore has become involved with much greater system research with telecommunications. These opportunities have not been quantified, nor has a price been placed on these services:

Litel Communications

Litel is a long distance telco with approximately 30,000 lines. Moore has done all of the billing for Litel for approximately two years. As part of a proposal request from Litel, Moore will be assisting Litel to set up a partial billing operation on-site. This plan is in response to Litel's need to have control of some portion of their incoming revenues. This will be a new endeavor for Moore, and was part of a 'service concept' to respond to the customer's needs and maintain business that may have otherwise been lost.

Ameritech

Ameritech is in the process of attempting to standardize their bills, of which Wallace holds the most business. Moore is proposing to research with Ameritech the possibility of on-site facilities management for the billing operation, using Moore's proprietary equipment. Again this is a partnering arrangement for business communication management that goes beyond paper based mailing systems.

B. Customer Situation

1. IDS 1987 Telco Customers

Moore IDS has approximately 80 sold accounts in 1987.

Total Marketplace 1700
Total Marketplace to Moore 350-400
(top 150 LEC carriers with over 7000 lines, long distance and enhanced service providers)
Total Moore IDS and Core Telco Accounts 80

AREA ACCOUNT BREAKDOWN IN 1987 - Table 8

Area	# Telco Sold Accts	Total Volume	Average Account Volume	Potential Accts (LEC)
Midwest	17	$1,978,492	116,381	37
East	28	3,067,118	109,539	28
South	21	1,550,141	73,816	65
West	14	1,319,732	94,266	20
Total	80	$7,915,483	$ 98,500	150

* In 1987, 9% of the telco IDS volume was sold by dedicated IDS representatives and 91% by core representatives.

(There were 1,768 telcom orders in 1987 representing an average order size of about $4,477.)

2. Customer Attitudes

In the fall of 1987, 72 general IDS customer interviews were completed with satisfied, dissatisfied and unsold customers. Five telecommunication accounts were included in this interview process. Throughout the general process with all customers, all three respondent groups indicated a need for the sales representative to understand their industry and have detailed knowledge of their project.

Customers see IDS as a 'service' to provide communication systems that could be done in-house, thus they expect higher levels of service, responsiveness and sensitivity from Moore. Needs based selling skills are strongly needed for IDS products and services. The representative must help the customer to identify problem areas and needs prior to product or technology presentations.

Specific telco participants included:

Sold

South Central Bell, Birmingham, AL
New England Telephone, Boston, MA
C & P Telephone, MD

Unsold

Pacific Northwest Bell, Seattle, WA
Continental Cable, Jacksonville, FL

Dissatisfied

None

Specifically telcom customers stated that the industry is very subject to government legislation. They are constantly looking into many new services in the industry which results in greater marketing needs. Also many other companies are beginning to offer services that only telcos offered in the past. Most telcos realize that mailings are still the way to most effectively reach their customer base.

More recently, two telcom customers want 'account representation' from Moore. They want one representative to be the liaison for all of Moore's products (Litel and South Central Bell).

3. Target Market

As a result of deregulation, the telecommunications industry itself has grown to be quite confusing. Conversations with consultants and key people at an industry trade show (14,000 attendees) in May, state that truly the industry is still so new and changing rapidly.

There are many markets within the industry:

Local Exchange Carriers

BOCs
Independents

Long Distance

Independents
Resellers

Enhanced Service Providers

Operator Services
Coin Phone Owners and Operators
Voice Mail, Electronic Publishing

Equipment

Cable and Pay T.V.

Radio and TV Station

Specific Target areas within these markets would include:

Marketing Mailings - custom calling services, new services
Regulatory Response Mailings (equal access, rate refunds, CPNI, CPE, ONA)
Employer/Employee Relations (Benefits, proxys, etc.)
General Customer Communication (billing, informational mailings, etc.

The arena in which telcos carry out exchanges of information include:

Business customer
Residential customer
Other telco customers (i.e., long distance billing services)
Employees

The recommended target marketing focus within Telecommunications:

1. **National IDS Marketing should target:**

   The Independent LECs
   Long Distance Carriers
   Enhanced Service Providers

   Moore's Market penetration into these areas has been minimal. Moore needs to focus in on these accounts where long term relationships can be developed and nurtured for all future business communication needs.

   It is recommended that a thorough study of this somewhat "young" competitive market be evaluated via Market Research and outside expertise.

2. **Provide minimal sales support and networking assistance (i.e., industry news via the newsletter, etc.) to the BOC representatives, however, encourage that the main sales and strategizing support come from the Area Telecommunications Managers.** There are seven Regional Holding Companies and each operates very uniquely. To develop a plan for all would be impossible but most importantly they are becoming competitors of Moore in the many services that they can provide. The relationship the Moore currently has with South Central Bell that has resulted in a contract for IDS services. This resulted from the development of an excellent relationship with the Account Rep.

D. Product Situation

1. Product

a. Mix

As seen by **Table 9**, 1987 orders for the Telecommunications Market did not fall into specific Product Code categories:

Table 9 - Product Code Breakdown

Product Code	No of Orders	SIC
3004 - Compurite feature	1	4832-1
3040 - Compurite system	119	4811-114
		4899-5
3044 - Compurite system LQD II	57	4811-54
		4899-3
3048 - Compurite system LQD I	134	4811-130
		4833-3
		4899-1
3049 - Compurite system LQD III	10	4811-9
		4899-1
3104 - Compurite feature LQD II	1	4811-1
3110 - Compurite feature CBL	10	4811-10
3114 - Compurite feature LQD II	2	4811-2
3118 - Compurite feature LQD	11	4811-11
3134 - Compurite system LQD 1099	1	4899-1
3140 - Compurite system	238	4810-6
		4811-144
		4819-1
		4833-3
		4899-84
3144 - Compurite System LQD II	395	4811-128
		4899-267
3148 - Compurite System LQD I	206	4811-94
		4832-1
		4899-111
3149 - Compurite System LQD III	260	4811-52
		4899-208
3180 - Compurite System (1 Part)	86	4810-6
		4811-80
3184 - Compurite System (1 Part)	1	4811-1
3188 - Compurite System (1 Part)	46	4811-46
3189 - Compurite System (1 Part)	11	4811-11
3200 - MMC - Credit Care		
Non Thurmont embossed	1	4811-1
3204 - MMC Credit Card		
Non Thurmont embossed	1	4811-1
3208 - Thurmont embossed	2	4811-2
3209 - Thurmont embossed	1	4811-1

Product Code	No of Orders	SIC
3214 - MMC Credit Card Thurmont embossed	1	4811-1
3218 - MMC Credit Card Thurmont embossed	4	4811-4
3270 - MMC 1 Part Compurite	1	4811-1
3280 - MMC other	2	4811-2
3284 - MMC other	2	4811-1 4899-1
3288 - MMC other	2	4811-2
3289 - MMC other	5	4811-5
3849 - Response Analysis	77	4811-72 4819-5
8020 - Letters - Laser on Bond	33	4811-28 4819-1 4832-1 4899-3
8060 - Statements - Laser	44	4811-2 4833-10 4899-32
8080 - Miscellaneous Laser	2	4819-1 4899-1
8110 - W-2 Statements (MBIC)	1	4811-1

The market in general is a very service and system oriented industry. Moore's success has been in those accounts where complete communications systems were designed (mailing, analysis, creative, etc.), however most of the national programs designed and marketed to representatives across the country were responses to one customer.

Moore IDS is fairly well known in the telecommunications industry, however our successes have been predominantly in the marketing mailings. Equal access mailings brought us recognition, but the Response Analysis portion of the program had some problems and in some cases had some negative effects on Moore's reputation.

In 1986, a Coin Refund package program was developed that provided a system to our customers for tracking and reimbursement for coins lost in a pay phone. Feedback from the field has shown the program is overpriced and too complex and detailed to meet the customer's needs.

Several product issues exist:

- Advertising Agencies are Moore's greatest competition in the telcom industry. Many telco's depend entirely on their agency to develop and produce any mailing communication to their customer base. A major service needed for our product/program enhancement is available creative services. We need to be able to develop a theme or image when responding to customer needs. At this time special attention is given to those representatives who have established excellent relationships with their customers (i.e., South Central Bell).

- Also, clarification of the Response Graphics/IDS conflict must be achieved. Telecommunication marketing mailing have been part of the on-going IDS business debate. Response Graphics often calls on Ad Agencies as their accounts for direct mail.

- Other competitors in the industry for products such as cards, billing, etc. offer enhanced services like credit validation. Extensive market research is needed to evaluate these opportunities and required program enhancements.

b. Applications

As mentioned earlier several formal releases have been made to the field relating to telco programs:

Coin Refund
Wire Maintenance
Equal Access

These programs were 'how to' packages and were responses to government regulations or a one time customer need.

The key applications under the target areas that have been identified as common beginning points by Moore reps and past marketing efforts (these are present in all segments of the telecommunications market) are:

Marketing Mailings

- call services mailings
  touch tone
  custom calling
  800 service
  special promotions
  lifeline service

Regulatory Response Mailings

- equal access
- wire maintenance
- rate refunds

Employer/Employee/Stockholder Mailings

- benefits
- proxys
- 1099's
- W-2's
- dividend checks
- dividend statements
- 401K

General Customer Communications

- billing
- calling cards
- local measured service
- coin refund
- coin commission checks
- deposit refunds

Partnering/Service Relationships

- billing facilities management
- IDS contracts
- response processing, database management

2. Pricing Profitability

The IDS Telecommunication marketplace as a whole appears to be inelastic. Overall concessioins for IDS Telecommunication SIC Sales in 1987 were at about 6.4%.

It is important to evaluate the profit to list percent. Moore anticipates a 20% profit on IDS products. **Table 10** shows list profit to percent on IDS products. (The comprehensive analysis is shown in **Exhibit III.**)

Because a detailed database of lost order is currently being developed, it is difficult to determine what applications/orders may be lost due to price. This evaluation process will be incorporated into the 1989 Objectives.

The Eastern and Midwestern Telecommunications business appears to be less profitable and may be attributed to greater competition.

The challenge of IDS within all of the vertical markets will be to thoroughly evaluate the current pricing structure. IDS pricing is presnetly based on the same cost accounting systems as all other Moore products. This pricing structure will not be effective as we progress further into project management systems, partnering relationships, facilities management, consulting, etc.

TABLE 10 - PROFITABILITY EVALUATION

	THURMONT			LOGAN			RA			ELK GROVE		
	List$	Net$	% To List	List$	Net$	% To List	List$	Net$	% To List	List$	Net$	% To List
Midwest	816,324	-17,654	-2%	460,660	120,118	26%	364,739	59,889	16%	281,431	97,348	34%
East	3,038,308	227,168	7%	34,419	478	1%	-	-	-	32,437	4,535	13%
South	700,870	161,699	21%	395,879	106,814	26%	379,745	-1,166	-.3%	27,996	7,839	28%
West	128,160	31,344	24%	1,488,371	376,490	25%	39,630	- 5,697	-14%	-	-	-
	4,683,662	402,557		2,379,329	603,900		744,369	53,026		341,864	109,722	

NOTE:

3. Distribution

In general the IDS organizational structure is in turmoil at present. One and a half years ago a specific IDS structure was established consisting of approximately 120 dedicated representatives and managers. Many problems exist with the current structure and market penetration with IDS products and service has not been at it's best as a result:

1. Most telco accounts (BOCs, Independents, etc.) have not been delegated to IDs representatives. Conflicts exist between the Core and IDS representatives. Also, these telecommunication account representatives have not been formally trained in IDS.

   1987 Education IDS Sales - 7.9 Million
   92% - Dedicated IDS Volume
   8% - Core Volume

   Total Potential Marketplace - 400
   Total Moore Telco Core & IDS Accounts - 180
   Total 1987 Sold IDS Telco Accounts - 80

2. There is not a unified management reporting structure for this dedicated sales force. Sales Planning and forecasting is done inconsistently across the United States and because the IDS selling, operational and marketing needs differ from the Core business, one business unit with a general manager is needed. Decision making, communication and general business strategies would be greatly improved if a formal IDS structure was established. Market penetration would be drastically improved. It is not surprising (as shown in the numbers above) that IDS type customers within the academic market place do not even know about Moore's IDS' program, yet with the current distribution structure and numbers of representatives across the country we could be very successful in these accounts.

3. Response Graphics targets telco market mailing opportunities. Clarification of Moore's distribution channels is necessary in an industry this visible. Telco customers across the country are unsure of the roles of the two companies.

4. Promotion

Moore had not participated in any advertising or trade show activities in the telco area for three years. Moore did attend a small pay phone expo in April that was unsuccessful. Other than a telecommunications brochure, no formal advertising has been done. Marketing attended the Supercomm show in May of 1988.

E. Competitive Analysis

Competitor categories in the telecommunication areas strictly fall under:

- Direct Mail Companies
- Advertising Agencies
- Service Bureaus
- Bell Operating Companies

Table 11 lists the main National competitors by category. This table is not complete at this time and will be part of a major research study during the remainder of 1988.

TABLE 11 - COMPETITIVE ANALYSIS

DIRECT MAIL COMPANIES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES

TABLE 11 - COMPETITIVE ANALYSIS

ADVERTISING AGENCIES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES

TABLE 11 - COMPETITIVE ANALYSIS

SERVICE BUREAUS

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES

TABLE 11 - COMPETITIVE ANALYSIS

BELL OPERATING COMPANIES

COMPANY	SERVICE	SALES	NO. OF EMPLOYEES	PRODUCT LINE	MARKET SHARE	STRENGTHS	WEAKNESSES

V. STRENGTHS AND WEAKNESSES

Strengths and weaknesses exist within the IDS Program and the new Vertical Market Focus. It is the intent of this market plan to capitalize on the strengths, minimize the weaknesses and move forward with Marketing programs to enhance Volume, Profitability and Market Share in the Telco Market Place.

A. IDS Strengths

1. One Source

Moore IDS offers full service, one source, business information management systems.

2. Postal Expertise

Moore currently has extensive Postal expertise and is providing state-of-the-art capabilities that will maximize customer mailing efficiencies.

3. Experience

Moore's 106 years of expertise and success is well known by customers.

4. Sales History/Growth Rate

IDS has enjoyed steady growth in volume over the five years of its existence. Sales history indicates consistent growth in volume in each of the three product/service areas.

5. Profitability

Due to the practice of concession management, IDS overall has realized profitable volume contributions to the USBF&SD with the exception of the MBIC/Elk Grove consolidation.

6. Established Programs

IDS has developed two key programs (1099, W2) that contribute substantially to total IDS volume on both the Core and dedicated side. These programs have also served to provide a more comfortable way for inexperienced reps to enter the IDS sales area due to the completeness of the presentation of these programs.

7. Coverage

The Dedicated group includes approximately 140 Sales Reps and District Managers located in major metropolitan areas. The coverage of this dedicated group is substantial. Beyond this, the Core Sales Reps involved in the selling of IDS extends to most regions of the country. Moore boasts the largest sales force in the business forms industry, all of whom currently have the opportunity to sell IDS.

8. Dedicated Experience

The Dedicated sales force has been drawn largely from the Core sales force. With this group comes a significant history of sales expertise and success in the business forms industry (also is a weakness for needed systems analysis/selling).

9. Established Customer Relationships

Both the Dedicated and particularly the Core group have established significant customer relationships. Input from the Customer Evaluation Study indicates that customers (and non-customers find this to be of critical importance on IDS-type projects.

10. Creative Services

The Moore salesforce has access to Creative Services which allows for the professional demonstration of the proposed mailing component portion of the project during the selling cycle. Sales reps continually cite this as a strength that allows them to compete effectively on the basis of presentation.

B. IDS Weaknesses

1. Response Analysis

A great deal of the return processing work is currently subcontracted. Moore does not have the control of the output from those subcontractors like it would if it were in-house. The pricing structure makes almost every order essentially unprofitable. Quality control is impossible.

2. Business Forms Mentality

Currently IDS offers our customers a 'product' or service as part of Moore Business Forms. The customers and system solutions that we are working with, require a philosophy or a business unit strategy that meets specific needs beyond a 'business form' mentality. Our current organizational structure (manufacturing, sales, pricing, etc.) limits our ability to meet those customer needs.

3. Order Processing

Order processing is currently a very tedious and ineffective system. The customer and IDS representative have difficulty maintaining control of the order process.

4. Lack of Aggressive Decision Making

IDS, currently part of large traditional business form company environment, is not able to make timely strategical decisions. Responsiveness and aggressiveness are mandatory requirements for players addressing this market place.

5. IDS Market Penetration

While IDS has enjoyed growth in volume from year to year, based on limited understanding of the marketplace, much of the market is fragmented; thus IDS' penetration of the market is relatively small.

6. Market Definition

IDS has been unable thus far to define the market for IDS. Vertical market segments were based on mailing intensity, which may not be an appropriate gauge given the area of opportunity IDS wants to address. Market definition historically has been of a reaction mode based on the product emphasis IDS has previously followed. Recent realignment in IDS Marketing from product to market emphasis will begin to determine focus and quantification of IDS opportunities.

7. Pricing Position

Due to financial accountability being currently in line with other USBF&SD products and services, pricing for IDS products and services has not been in line with market pricing.

8. Sales Force Expertise

The level of expertise of both the Dedicated and Core Salesforce is not consistent with market need, based on the comfort level they exhibit and information contained in the Customer Evaluation Study. Formal training for the dedicated group has been limited to one week of training in February of 1987. Beyond that, no formal ongoing training for the Dedicated group has been established. Specifically, they lack expertise in data processing, systems needs analysis and vertical market knowledge.

9. Sales Efficiency (Downtime)

Sales downtime in terms of lengthy order entry processes (particularly frustrating for repeat orders) and a lack of staff support in the sales offices prohibits maximum sales efficiency.

10. Limited Creative Services

There are not enough creative artists on staff to meet demand resulting in long lead times for graphic presentations.

11. Quantity Limitations

Order quantity limitations are prohibitive for some customers or markets.

12. Quality Control

Quality control is not yet at it's best. Moore must strive to minimize it's liability potential as critical cash management applications are pursued within each market.

C. IDS and the Telecommunications Marketplace - Strengths

1. Past Moore telecommunications marketing efforts in the Core product area has made "Moore's" name recognized in the industry. The Wire Maintenance and Equal Access programs have placed Moore as a viable player in the information processing marketplace.

2. Dedicated telecommunication account representatives are currently in place, therefore the industry remains aware of Moore.

3. Moore IDS has and continues to develop technology to meet the needs of one of the largest communication-intensive marketplaces.

D. IDS and the Telecommunication Marketplace - Weaknesses

1. Quite obviously, the Telecommunications industry continues to develop paperless communication technologies.

2. The players are changing daily because of regulatory issues and competition. Moore's IDS role in the industry has been impossible to define. Most of our IDs orders have been marketing mailing related and this area is truly defined as Response Graphics.

3. Dedicated IDS focus has not been placee on this industry. Core account reps continue to handle 92% of the telco business.

VI. KEY ISSUES/OPPORTUNITIES

Moore's Key Opportunities:

Deregulation has created a new, highly competitive market, with many new players. Business information management and aggressive marketing are keys to success for these new companies. The RHCs/BOCs have become competitors to Moore IDS. Moore's future opportunities lie in targeting non-AT&T and RHE accounts.

Each of the 7 Regional Holding Companies (RHCs - 22 Bell Operating Companies) are becoming unique players in the marketplace and have also become competitors of Moore, as well as each other. Major account representatives handle these accounts almost on a full-time basis. It would be difficult to research and develop market programs to meet the needs of each of these 7 accounts. These accounts should continue to be managed by the key account reps.

Marketing Needs:

- Strategic planning needs lie in non AT&T and non RHC telco accounts.

IDS Program Needs:

- A more thorough evaluation of the telcom players and Moore's role in the marketplace.
- Clarification of the Moore IDS/Response Graphics role in the marketplace.
- Enhanced creative services.
- Enhanced database management services (i.e., validation).
- A coordinated national and area effort in approaching the telcos.
- Creative partnering mentality for future opportunities.
- Target market research programs for specific repetitive applications.

MARKETING OBJECTIVES AND STRATEGIES (OVERALL)

In the past Moore has provided some Marketing support to telecommunications. This focus has been on Core volume within the BOCs. This industry is communication intensive and provides many opportunities for Moore IDS.

It is the intent of the Marketing Objectives to:

1. Define Moore's role in the newly deregulated industry. There are now many players with many new communication needs.

2. Increase market penetration and market share. Moore IDS currently sells to 70 accounts. Average account value is currently at about $98,000 with an average order size of about $4,000. These account averages are very low in terms of market potential.

3. Improve profitability in the telecommunication accounts. As a result of thorough on-going market research, new marketing programs will be developed that represent profitable, competitive business for Moore.

MARKETIN JECTIVE # 1 - PROGRAM ENHANCEMENTS AND MARKET R RCH

Several marketing programs have been designed for the telecommunications industry in the past (Coin Refund, Equal Access, Wire Maintenance, etc.). These programs were established somewhat reactively to feedback from the sales force. The telecommunications industry has become so complex that marketing must take an active role in defining new market needs and develop formal programs to increase account penetration. Because the industry has become so complex with deregulation, extensive Market research will be necessary throughout the next year.

Several general action items are listed relating to the overall program plan for telecommunication that also include market research action items. Then the action items for program enhancement will be categorized by the identified target markets. **The BOCs will not be targeted formally in the program objectives however will be addressed in the distribution area.**

Strategy/Action Items	TIME FRAME	COMMENTS
GENERAL PROGRAM REQUIREMENTS		
1. Evaluate program developed in the past for coin refund system. (This program is a key business communication system for local exchange carriers, long distance carriers and alternative carriers.)	First Quarter, 1989	
2. Develop a coordinated strategy for information release and program design with the 'to be appointed' market specialist under the Core Market Segment department. Establish a mutual library of information between the two departments.	Year End 1988	
3. Establish a standing networking committee to be notified and kept aware of upcoming legislative rulings from the government that will require proactive program planning with representatives from Marketing, Manufacturing, and the field. (Product Development)	Year End 1988	
4. Introduce formal Equal Access Package to IDS Sales force	Fourth Quarter, 1988	

Strategy/Action Items	TIME FRAME	COMMENTS
4. Establish a task force with members from IDS support, IDS planning, Core telecom marketing, Research and Sales force members to evaluate the concept of facilities management, partnering and contract development within the telecommunications industry.	Year End 1988	
5. Formalize a proposal to Corporate Communications for increased creative service and copy writing support for the telecommunication accounts.	Year End 1988	
TARGET MARKET REQUIREMENTS		
1. Contract with an appropriate industry consultant to assist with market research to identify key niches for IDS business communication products and services within the identified target markets: Local Exchange Carriers - (The top 150) Long Distance Carriers (Independents and Resellers) Enhanced Service Providers (Alternate Operators, Coin Phone Operators, etc.) Cable Services	Early Fourth Quarter, 1988	
2. Establish a formal industry research study with the assistance of Moore Market Research. Include planning for a formal focus group in each target market. Also incorporate formal customer and non-customer interviews. Also include detailed information in study for an extensive competitive evaluation.	First Quarter, 1989	
3. Maintain appropriate periodicals for each target market to keep abreast of industry news.	Ongoing	

Strategy/Action Items	TIME FRAME	COMMENTS
4. Establish a network of representatives in each target market for appropriate market informational needs. Evaluate 1987 and YTD 1988 orders for successes and needed program enhancements via an informal telephone survey to Moore representatives.	Year End 1988	

MARKETING OBJECTIVE # 2 - PRICING

At present, the pricing structure for IDS is based on the traditional Moore core product pricing structure. The goal of the marketing program enhancement objectives will be to maintain profitable sales with products and services that add features and services and add to the customer's perceived value of the product. These new products and services will be evaluated based on competition, market levels and customer 'value' perceptions and recommendations will be made on an on-going basis to add consulting and program design and management fees where appropriate. Current business will be evaluated closely, those accounts that are not profitable will be researched and strategized to improve profitability.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Begin tracking current customer situations and penetration vs. competitive information	ASAP	
2. Utilize extensively the IDS database to track past, current and future information relating to applications, pricing levels, competition, etc. • Obtain specific reports from the IDS database and Response Analysis system when they are functional.	September, 1988	
3. Track and evaluate competitor services and pricing. • Formalize filing system specific to telecommunication. • Evaluate lost order information quarterly. • Release appropriate information via IDS Newsletter.	September, 1988	
4. Research and track competitive and other telco offerings and pricing. (Evaluate an industry shift to perceived value pricing.)	September, 1988	

MARKETING OBJECTIVE # 3 - DISTRIBUTION

Telecommunication accounts are almost entirely handled by core representatives. Communication between the current Area Telecommunications Managers is minimal because of other additional responsibilities.

It will be the goal of the IDS telecommunication marketing programs to increase market coverage penetration into accounts other than the BOCs by IDS representatives. The responsibility for the development of market programs and systems within the BOCs will remain with the Area Telecommunications Managers. National IDS marketing will remain as a liaison for these accounts and continue to gather information, however the key focus for distribution will be in the other target markets.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Formalize recommendation to assign the top 150 LEC independents, the top long distance carriers (other than AT&T), the Enhanced Service Providers and the key Cable companies to IDS representatives or specialists. • Utilize IDS database, etc. • Develop formal plant, route to Area Vice Presidents, Regional IDS Managers, etc.	Year End 1988	
2. Formalize recommendation and proposal to keep formal marketing strategies to the BOCs within the Area Telecommunication Managers responsibilities to include contract formulation, account strategizing, etc. Continue with annual or biannual meetings with the Area Telecommunication Managers.	Year End 1988	
3. Finalize strategy in conjunction with Response Graphics for maximum and professional penetration into all aspects of the market, with specific clarification of marketing 'type' mailings.	Year End 1988	
4. Evaluate and establish formal plan for targeting companies for potential partnering relationships (i.e., software companies, etc.).	Third Quarter, 1989	

MARKETING OBJECTIVE # 4 - PROMOTION

Moore has not actively marketed to the telecommunications industry since the termination of the National Telecommunication position. Moore's name is known in the industry as a result of those endeavors. At this time the critical objective before major dollars are spent on advertising, etc. is to determine Moore's role in this marketplace which will result from Objective #1.

Objectives:

1. Increase clarification of the target markets and Moore's strategy in attacking these markets.
2. Maintain Moore's visibility in this marketplace as a viable business communication player.
3. Increase participation in telcom related activities and pursue speaking engagements nationally at specific telcom related functions.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Begin promotional campaigns via the key associations, (USTA, etc...See attached list).	Third/Fourth Quarter, 1989	
2. Continue with vertical market training via IDS Newsletter and special releases.		

MARKETING OBJECTIVE # 5 - ASSOCIATIONS

As part of the vertical market approach, appropriate associations will be researched for:

- Potential partnering/consortium arrangements.
- Mailing communication horizontal applications research.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Begin participation in TIA and appropriate long distance carrier associations.	Fourth Quarter, 1989	
2. Begin strategizing with key IDS representatives responsible for the telcom associations.	First Quarter, 1989	
3. Evaluate association/horizontal applications.	Ongoing	

MARKETING OBJECTIVE # - TRAINING/NEWSLETTER/SUPPORT

Vertical market training for telecommunication will be incorporated into the IDS formal Phase I and Phase II.

Strategy/Action Items	TIME FRAME	COMMENTS
1. Establish (in conjunction with Core Market Segments) a customer newsletter.	Third Quarter, 1989	

VIII. MARKETING BUDGET TOTALS

Telecommunications	Remaining 1988	1989 1st	2nd	3rd	4th
Trade Shows				$ 2,000	
Industry Conferences/ Seminars		$ 500		$ 500	
Association Membership					
Brochures/Promo Development Printing					
Customer Focus Group			$13,500		$13,500
Advertising Ad Development Ad Space				$10,000	$ 3,000
Travel Program Development Program Support	$ 1,000 $ 500	$ 2,000 $ 1,000	$ 1,000 $ 2,000	$ 1,000 $ 2,000	$ 1,000 $ 2,000
Program Release Packages (EDM, etc.)				$ 1,000	$ 1,000
Consultant Fee	$ 2,500				
Research Study		$ 5,000		$ 5,000	
Periodicals			$ 500		
Personnel					1
TOTALS	$ 4,000	$ 8,500	$17,000	$20,500	$20,500
GRAND TOTAL					$70,500

FORECAST

1987	7,915,483
1988	10,200,000
1989	13,600,000
1990	15,000,000
1991	17,500,000
1992	20,100,000
1993	23,746,449

Methodology:

1987: In spite of the lack of IDS coverage of telco accounts, $7.9 million in IDS sales was achieved. There was also minimal structured national marketing focus.

1988: Marketing mailing orders have been increasing and equal access programs are increasing as well. Telcos with access lines of 200,000 and under are being required to complete equal access.

1989-1993: As the market is defined via market research studies, targeted market programs will be developed that will result in increased sales and market share.

1. Target accounts will be identified and assigned to IDS representatives.

2. Market knowledge and awareness will be much greater and "new" products and services will be introduced that will be profitable for Moore.

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

MIDWEST

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	Alltel Corp	203	3140	1132	0	20	226
		263	8020	41043	-.5	28.6	11727
2	Il Consol.	203	3040	8283	0	19.4	1606
			3048	9699	0	13.3	1290
3	Alltel IL Inc.	203	3040	5583	-16.5	36	2010
4	GTE Ind.	203	3110	46189	0	-11.1	-5174
		203	3118	34607	-12.6	14.5	5647
		203	3560	2059	0	25.4/1.2	522
		258	3849	49477	-2.6	-1.2	-659
		263	8020	13608	-.1	28.2	3837
5	SW Bell	203	3208	52788	-8.7	-26.1	-13854
		203	3209	403884	9.4	-5.2	-21409
		203	3214	78931	-20.2	19.3	15265
		203	3218	94668	-1.9	12.0	11390
		203	3540	2316	-56.7	81.9	1896
		203	3560	5497	63.6	-38.1	-2102
		203	3564	53699	48	-30.6/-3.6	-16466
6	Wisc Bell	203	3849	1633	-16.6	44.3	723
		258	3849	8439	-9.5	5.6	472
7	United Tel Co.	403	3140	6417	-81.2	101.2	6496
8	IL Bell	203	3568	11888	22.6	-12.5	-1494
		258	3849	25798	0	-3.9	-1028
		263	8020	25438	-51.7	79.8	20299
			8110	5147	-35.6	63.7	3277
9	Central Tel	258	3140	43377	0	31.4	13620
		258	3144	78246	0	25.4	19874
		258	3148	97360	0	30.9	30084
		258	3849	58966	0	-3.9/22	-2362
		403	0120	11279	12.5	9.5	1071
			3140	197613	-2.4	22.4	44198
			3144	59655	4.2	23.2	13817
			3148	51245	-4.3	30.3/23.8	15514
10	Star Cablevision	203	3148	14267	0	15.9	2268
11	WIS Public Radio	263	8020	9875	0	28	2765
12	Heritage Com	403	3049	46021	6	14.3	6588
			8060	6427	0	28	1799
			8080	69583	-15.6	43.7/42.4	30425
13	Litel	263	8060	175575	0	28	49159
14	Crain	403	3180	12420	15.3	1.7	210
15	TMC/Evans	203	3140	4106	0	20.2	830
16	Back to Bible	203	3284	40703	7.4	-7.8	-3233
17	IL Bell	263	8020	9029	-29.4	57.5	5192
			8110	1716	-35.6	63.6/58.5	1092
		258	3849	2806	0	-3.9	-112

Plant Code:
203 - Thurmont
258 - RA
263 - Elk Grove
403 - Logan

2258M

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

EAST

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	Denver & EPHR	203	3040	2713	-18.3	37.8	1026
		203	3560	1150	27	-1.5/26.1	-18
2	NE Tel	203	3140	5358	-1.8	22.1	1186
		203	3148	17867	0	15.9/17.3	2841
			8060	7979	0	-12.4	-997
3	SNET Sys	203	3140	3793	0	20.2	767
4	Cable TV Mont	203	3140	4609	0	20.2	930
5	C&P Telco	203	3048	7047	0	13.3	939
			8060	1435	0	-12.4	-180
6	Crains Bus	203	3284	13313	0	-17.4	-2330
7	Am Cable	203	3048	12146	-8.6	22	2667
8	GTE Serv Corp	203	3144	1591	37.1	-12.3	-197
9	Warner Cable	403	3048	2530	0	17.5	444
10	Fairchild			31889	0		34
11	MCI	203	3140	1916	-24.4	44.7	857
12	C&P MD	203	3040	38304	-3.2	22.8	8715
			3044	27974	-3.1	16.7	4672
			3048	68944	-10.1	23.5	16180
			3049	-	0	-999.9	-605
13	C&P WVA	203	3040	2215	0	19.4	430
			3044	3331	29.5	-15.9	-534
			3048	20481	-7.2	20.6	4221
14	C&P of VA	203	3040	14880	1.4	18	2681
			3044	16328	-2.2	15.8	2576
			3048	24412	-5.9	19.3	4714
15	C&P of WA	203	3044	1798	4.2	9.3	167
			3048	6295	-.9	14.3	902
16	NJ Bell	203	3040	67504	-1.6	21.1	14217
			3044	19524	-2.0	15.6	3053
			3048	57480	-7.3	20.7	11914
17	Bell of PA	203	3040	89716	-2.0	21.5	19256
			3044	20044	-1.8	15.4	3083
			3048	43825	-6.3	19.8	8656
			3140	2185	0	20.2	441
18	GTE Corp	203	3134	394	44.9	-5.2	-21
			3140	267401	33.4	-13.1	-35345
			3144	643265	13.2	11.6	74498
			3148	310377	27.4	-11.4	-35617
			3149	485478	6.8	22.2	107649
			3564	1457	-19.3	36.7	534
19	PA Pay TV	203	8060	1800	0	-12.4	-225
		263	8060	13093	0	28	3669
20	CTS & Data	203	3140	4335	-32.8	53.1	2406
		258	3849	11753	0	-3.9	-471

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

EAST
(Continued)

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
21	MCI	203	3140	5750	-24.4	44.6	2567
22	Warner	403	3048	7591	0	17.6	1337
23	NE Tel	203	3048	8702	-3.5	48.4	4211
			3148	14577	0	15.9	2319
			3200	5607	0	-22.2	-1250
			3204	46990	0	25.4	11935
24	Bell of PA	203	3040	23947	-2.3	21.8	5230
		203	3044	4697	-4.3	17.9	841
		203	3048	12492	-6.0	19.4	2425
		203	3560	1154	-13.3	38.8	448
25	NYTel	203	3110	2758	0	-11.1	-310
			3845	-2373	0	39.7	-942
26	NJ Bell	203	3040	20219	-1.7	21.2	4280
			3044	6508	-2.0	15.7	1019
			3048	16731	-7.2	20.6	3452
27	NY Tel	203	3049	480435	25.6	-8.2	-39818
			3540	3758	49.6	-24.4	-922
28	AT&T	203	3118	6783	.8	2.8	187
			3544	14371	32.7	49.1	7056
			3548	7746	40.4	-14.5/20.1	-1128

Plant Code:
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EXHIBIT V - PROFITABILITY - COMPREHENSIVE

SOUTH

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	Gen Tel/S	258	3849	22724	0	-3.9	-909
2	GTE SW	203	3118	9707	2.2	1.4	133
			3849	18841	0	27.5/18.6	5181
		258	3849	3306	0	-3.9	-133
3	GTE FL	203	3118	19870	0	3.6	715
4	Heins Tel	203	3148	714	0	16	114
5	Comm Serv	403	3040	7567	0	18.2	
			3044	19426	0	12.1	12.1
6	Bell South Serv	203	3040	-27	0	25.9	-7
			3044	11043	0	13.5	1493
			3049	64579	0	17.3	11172
7	Carolina T&T	203	3144	80436	-18.1	43	35574
			3149	71928	-8.5	37.6	27020
		258	3849	42774	0	-3.9	-1711
8	Farmer Tel	203	3148	52625	-1.7	17.7	9309
		258	3849	52150	0	-3.9	-2087
9	All Tel Serv	203	3144	27295	-7.3	32.2	8787
			3148	16735	-4.5	15.9	2661
10	SCB	203	3049	8400	0	17.3	1454
			3140	6791	28	-7.7	-530
			3148	29698	3.8	12.1	3595
			3280	16042	-.6	-10.7	-1731
			3284	3890	-128.4	128	4981
			3289	104334	-.8	16.4	17062
		258	3849	216330	0	-3.9	-8653
		263	3020	27996	0	28	7839
		403	3140	39419	2.3	17.6	6929
		403	3144	31450	15	12.4	3906
		403	3148	39036	10.1	15.8	4326
		403	3149	169839	-2.4	37.7	6151
					0	13.6	0
		403	3180	0	0	0	64110
		403	3188	21264	28.8	27.9	2893
11	Ft Bend Tel	203	3140	10678	-35.8	56	5985
12	United Tel Sys	258	3849	8875	0	-3.9	-355
		403	3044	12880	-6	18.25	2349
			3048	9793	-21.8	39.5	3864
			3049	169891	0	20.3	3449
			3140	15550	9.9	10.0	1552
13	Southland Sys	203	3140	10999	0	20.2	2222
14	Navasotu Elec Corp	203	3040	5608	0	19.4	1088
15	United Tel Sys	258	3849	8875	0	-3.9	23
		403	3044	12880	-6	18.2	2349
			3048	9793	-21.8	39.5	3864
			3049	16986	0	20.3	3449
			3140	15550	9.9	10	1552
			3144	0	0	0	2222

EXHIBIT V - PROFITABILITY - COMPREHENSIVE

SOUTH
(Continued)

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
16	United Tel Co/ TE	203	3040	5776	0	19.4	1120
			3048	7962	-9.4	22.9	1820
17	Gen Tel Co	203	3149	28533	0	29	8275
18	TCA Mgmt Co	203	3148	-3080	0	15.9	-490
19	GTE Mobilnet	203	3180	6233	-5.7	-29.1	-1819
			3210	4403	-72.5	-37.6	1655
			3270	5244	-8.2	-1.2	-67
20	Bell South	203	3040	-28	0	10.7	-3
			3044	11041	0	13.5	1491
			3049	64573	0	17.3	11171
21	GTE NW	258	3849	24711		-20.5	12659

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EXHIBIT V - PROFITABILITY - COMPREHENSIVE

WEST

	ACCOUNT	PLANT	MAJOR PROD	$ LIST SALES	% CONCESSION	NP % TO LIST	$ NET PROFIT DOLLARS
1	GTE NW	258	3849	24711	16.6	-20.5	-5098
		403	3044	56896	-7.1	19.3	10995
			3049	-23271	0	20.3	-4724
			4960	7656	3.9	18.6	2234
2	Contel	203	3288	14338	-27.6	27.8	3991
		403	3140	26061	0	19.9	5186
			3180	26123	0	17.0	4443
3	Hurv Tel	258	3849	12599	0	-3.9	-504
4	Manahiska	403	3148	25514	-.4	26.4	6736
5	US West	203	3149	44756	-2	31.1	13930
6	PAC Telcom	258	3849	2320	0	-4.0	-95
		403	3140	794	360.7	-340.8	-2707
7	GTE	203	3104	24309	8.8	-2.0	-507
		403	3140	7039	0	19.9	1401
			3148	36059	-1.1	27.1	9781
			3544	18845	32	-5.2	-997
8	Tel America	403	3140	2525	0	19.8	501
		403	8020	9552	0	-18.1	-1738
9	Nev Bell	403	3140	6632	0	19.9	1320
			3180	13588	0	17.0	2310
10	Centel	403	3849	7681	0	27.5	2112
11	PAC NW Bell	203	3149	44757	-2	31.1	13930
12	Columbia Cable	403	3140	7469	6.9	12.9	967
13	Contel	403	3140	6005	0	19.9	1195
			3180	8708	0	17.0	1480
14	PAC Bell	403	3040	21050	0	18.2	3829
			3140	169921	-.5	20.5	34807
			3144	403606	-.2	27.7	111637
			3148	170400	-1	26	40314
			3149	175990	-.1	35.7	62225
			3180	100395	7	10	10054
			3184	838	20.9	3.8	32
			3188	124454	-.1	42.6	53012
			3189	54570	-.4	36.9	20115

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INFORMATION DISTRIBUTION SERVICES

INSURANCE (AND HEALTHCARE)

MARKETING PLAN

1988 - 1989

Prepared by: Ann Perraud
Market Manager
IDS Marketing Planning

TABLE OF CONTENTS

PAGE

I. OVERVIEW..... 1

A. IDS..... 1

B. HEALTHCARE..... 3

1. Situation Analysis..... 3

C. INSURANCE INDUSTRY..... 5

1. Important Insurance Differentials..... 5
   a. Stock vs. Mutual..... 5
   b. Direct Writers vs. Agency Companies..... 7
      1. Channels of Communication
   c. Personal Lines vs. Commercial..... 8
   d. Property vs. Casualty..... 8
   e. First Party vs. Third Party..... 8
2. Government Regulation and Insurance..... 8
   a. Current Legislation and IDS..... 9
3. Types of Insurance..... 10
   a. Life Insurance..... 10
      1. Company Organization
   b. Property/Casualty Insurance..... 14
      1. Company Organization
   c. Health Insurance..... 17
      1. Types of Policies
         a. Private..... 18
         b. Blue Cross/Blue Shield..... 20
         c. HMOs..... 22
4. Summary..... 23

II. SITUATION ANALYSIS..... 24

A. MARKET SEGMENTATION..... 24

B. 1987 IDS SALES; APPLICATION, SEGMENT AND MARKET POTENTIALS..... 26

1. Life..... 26
2. Property/Casualty..... 27
3. Health..... 28
4. Agents/Brokers and Other Services..... 29

(continued...)

TABLE OF CONTENTS
(Continued)

PAGE

C. DIRECT MAIL AND THE INSURANCE INDUSTRY..... 30

D. COMPETITION..... 33

E. PRICING..... 33

F. PRODUCT..... 33

G. PROMOTION..... 34

H. DISTRIBUTION..... 34

III. TACTICAL ACTION PLANS..... 36

IV. BUDGET EXPENDITURES..... 39

V. FORECAST..... 41

VI. APPENDIX..... 42

A. INSURANCE COMPANIES BY STATE
1. Life
2. Property/Casualty

B. INSURANCE COMMISSIONERS BY STATE

C. HMO CHARTS

D. INSURANCE DIRECT MAIL STUDY

E. INSURANCE INFORMATION INSTITUTE DATA BASE INFORMATION

F. REFERENCES

I. OVERVIEW OF IDS

A. IDS Mission Statement

The mission of IDS is to profitably provide products, services and systems solutions for vital business communication needs that result in increased efficiencies and/or effectiveness for our customers.

IDS utilizes a mix of products and services to accomplish this mission that offers our customers unique solutions to their business communication printing, constructing and processing needs. Included in this mix are:

Services:

- Customer needs analysis
- Design of the project
- Design of communication document
- Data preparation, including
  - tape reformating
  - merge/purge
  - carrier Route Sorting and Zip + 4
- Printing/Imaging/Binding/Folding/Inserting of document
- Mailing and distribution
- Receiving and processing reply mail including capturing of data and reporting and tabulation.

Products:

1. IDS Printing Methods:
   a. Ink Jet
   b. Midax/Hybrid
   c. Electronic Printing
2. Constructions:
   a. Speediset
   b. Matched Mailer
   c. Plastic Card Constructions: Matched Mailer & 4450 Fulfillment
   d. Cut Sheet with Window envelope
   e. Front end envelope construction options
3. Response Analysis:
   a. Customized Data Reports
   b. Small Quantity government forms production

Essentially, Information Distribution Services (IDS) represents an external servicing of internal operations requiring business communications. The market for IDS is a select combination of information processing, information imaging management, office automation and communications that is currently being done by the customer either internally or through multiple outside service organizations.

Applications for IDS primarily evolve around four of the nine key business operations; billing, collecting, disbursing and marketing communications. IDS' ability to add variable data imaging to the forms required in these operations provides the new opportunity to maintain the form portion of the total operation and provide the overall systems solution for the customer as a service.

B. IDS and The Healthcare Industry

When discussing the healthcare industry, one primarily refers to hospitals or hospital systems. Although these factions offer a tremendous potential for our core products, this is not indeed the case for IDS. Why?

Traditionally, IDS healthcare business has been in the form of feature applications. More recently, IDS business for hospitals has been promotional or solicitous in nature. Although marketing is a key trend in the healthcare industry due to increased competition and astronomical costs, neither of the aforementioned application types represent the kind of profitable repeat business that would best gel with our future direction. With the exception of billing, marketing pieces represent the bulk of system applications requiring intelligent imaging for hospitals. Subsequently, healthcare, including hospitals, hospital systems and other care facilities, will not be formally focused on as a primary IDS vertical market. (An exception to this may fall under hospital-system billing, whereby the 18 Hospital System Groups that have 25 or more hospitals under their umbrella will be reexamined at a later date for their billing potential.)

1. Situation Analysis

In 1987, IDS healthcare orders amounted to $1,113,126. This was spread out over 197 orders. Of that business, 42% or $468,633 was dedicated business and 58%, or $644,493 was core IDS business. The mean value of IDS hospital orders was $4,066. The highest total value of IDS business per any one hospital was $28,000. Overall, IDS comprised only .1% of Moore's healthcare business, of which $112,007,000 in core products was sold.

It is important to note that the outstanding characteristic of our present healthcare system is its astronomical costs. Our Gross National Product is now beyond two trillion dollars. The total cost of all medical care and related products/services is estimated to be rapidly growing from 8 to 10 percent of the GNP, which is itself growing. Subsequently, our annual national medical bill is upwards of $200 billion.

Only about 30% of these health care expenditures are paid directly by consumers, either through health insurance premiums or direct charges. The government pays about 40 percent of the health care bill, and private health insurance pays nearly all of the remainder, about 30 percent. Of course, all money originates with the consumer and is taxed or charged as premiums.

Subsequently, those segments of the healthcare industry that constitute insurance, will be covered as part of the insurance vertical market, and will be focused on as such in the future; these segments include: private health insurance, HMOs (PPOs), Blue Cross/Blue Shield and Medicare.

C. Overview: The Insurance Industry

Although the insurance industry provides nearly 2 million jobs and has responsibility for assets which at the end of 1986 totaled more than $1.3 trillion, still only the banks oversee a greater share of American wealth.

More than 4800 insurance companies are domiciled in the U.S. With only 5 percent of the world's people, the U.S. accounts for over two-fifths of the worlds' insurance premiums. This can partially be explained by the fact that ninety-three percent of all U.S. homeowners are insured against fire; 91% of all U.S. car owners carry auto insurance and 86% of all households are covered by life insurance.

The business of insurance in the United States is divided into three broad categories: life insurance, health insurance and property/casualty insurance. Many insurers own both life and property/casualty companies. The Prudential now has a property/casualty arm; Allstate has a life insurance company. But the basic distinction remains: Life insurers sell life and health insurance; property/casualty companies sell everything else.

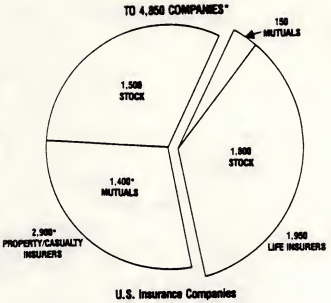
With each insurance policy requiring a number of business communications, the insurance industry is paper-intensive. In fact, hundreds of millions of dollars are tied up in insurance paperwork. Aetna Life & Casualty produces a billion documents a year. A spokesman for the Equitable estimates that in a year it generates a stack of 8 1/2 x 11 inch sheets six miles high.

1. Insurance Differentials

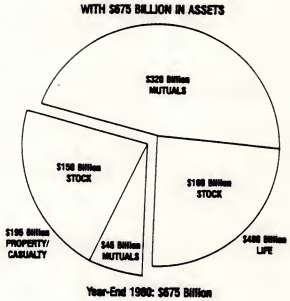
a. Stock vs. Mutual

An important distinction among insurance companies is whether they are stock or mutual. Stock companies are owned by shareholders and run to make a profit. Mutual companies are owned by their policyholders and are run - in theory - purely for their benefit.

Life insurance in America has traditionally been dominated by mutual insurers. Twelve of the fifteen largest life insurers are mutuals. Taken together, just five of them - Prudential, Metropolitan, Equitable, John Hancock and New York Life - represent close to two-fifths of the industry's assets. (Note the following graphs that depict ratios of stock/mutual companies and assets.)



U.S. Insurance Companies



Year-End 1980: $675 Billion

Executives of the large mutuals do not operate under the constraints one might expect. Many hold no annual meetings (arguing, reasonably, that practically no one would come) and mail annual reports only to those policyholders who request them (arguing that to do otherwise would be a waste of the policyholder's money). In a recent election for board members of the Prudential, four vacancies were to be filled. Vying for these four posts were a total of four candidates, nominated by the board itself. Eligible to vote were 18.4 million policyholders. Of these 323 did - virtually all of them employees of Prudential. Later in the same year, policyholders of the Equitable were called upon to choose among a field of eleven nominees to fill eleven board seats. An estimated 3,250,000 policyholders were eligible to vote but were not informed of the election; 6,400, mostly Equitable employees, voted by mail. Seven showed up at the election to vote in person. (These issues will be explored further as we examine the proxy for IDS program potential).

So an insurer may be a life company or a property/casualty company; stock company or a mutual. A third way insurers are categorized is by the way they sell their product.

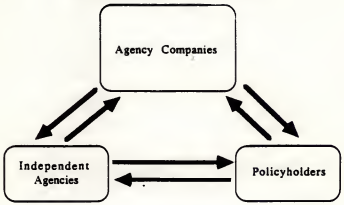
b. Direct Writers vs. Agency Companies

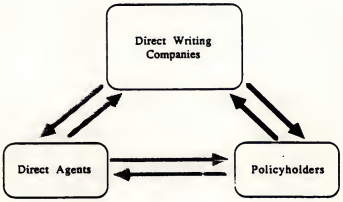
"Direct writers" deal directly with their customers, either through their full-time agents, salaried employees or by mail. "Agency companies" procure their business through brokers, also called "independent" agents, who represent several different insurers. When you call one of these brokers - and in the United States you have 70,000 firms to choose from - he/she will place your business with the carrier determined to best suit your needs.

Direct writers tend to offer lower prices than agency companies because they are more efficient. (State Farm, GEICO and Allstate are direct writers. Travelers, CNA an Aetna are agency companies.)

Subsequently, you have a variety of channels between the insurance company and the policyholder, as depicted below.

Communication Channels





c. Personal Lines vs. Commercial Lines

Types ("lines") of insurance sold to people are called personal lines. Those sold to businesses are called commercial lines. To say an insurer "writes a big commercial auto line" means simply that it insures a lot of company cars.

d. Property vs. Casualty

Property insurance covers damage to, or theft of, property. Your property. Casualty - or "liability" - insurance protects you in case you damage someone else's. As society grows more complex, the emphasis in "property/casualty" insurance falls increasingly on "casualty".

e. First Party vs. Third Party Coverage

In an insurance contract, you, the policyholder, are the "first party". First-party insurance pays you. Third-party insurance protects you if you hurt some "third party".

Your homeowners policy is primarily a first party contract: It protects your property. But it provides third-party coverage as well - to others who may sustain an injury on your property.

2. Government Regulations and the Insurance Industry

All business is subject to governmental regulation. A business affected with a public interest means that it is forced to operate in an environment more restrictive than business in general. Such is the case with insurance. The insurance industry is characterized by regulation and legislation. The underlying reason for insurance regulation is to protect the public from incompetent and fraudulent insurers, and to guarantee the continued solvency of insurance providers. Moreover, insurance is technical and in some ways mysterious to the public. The buyer usually is at a disadvantage because the seller generally knows more about the product. Policies contain terms unfamiliar to the buyer. Public control is necessary to prevent some insurers from including unreasonable restrictions and exclusions in their contracts.

Methods of regulation:

a. Legislative Control

To govern the operations of insurers, all 50 states, the District of Columbia and Puerto Rico have their own insurance laws and rules. They legislate on many matters, such as the licensing of agents and brokers, business methods, insurance rates, insurance availability, insurer solvency, types of policies and provisions, licensing of insurers, liquidation of insurers and taxation.

b. Administrative Control

The state governments are the primary authority in the regulation of insurance. Additionally, each state has an official, called an "Insurance Commissioner" (see Appendix listing officials), whose duty it is to carry out regulatory activities. The functions of the Insurance Commissioner's office include administering examination, licensing of insurers, rates and policy provisions, complaints and public relations, and licensing.

c. Judicial Control

Insurance is also regulated through judicial procedure. The courts interpret legislation when its meaning is challenged and also settle disputes among contracting parties. A court ruling on the constitutionality of insurance regulation or actions of the Insurance Commissioner becomes part of the body of insurance regulation.

Examples of Current Legislation:

Staying abreast of current and pending legislation is undoubtedly a means of detecting immediate and potential IDS applications within the insurance industry. A good example of this is the California legislation that required insurance companies to notify their policyholders regarding the opportunity to purchase earthquake insurance. IDS responded quickly and thoroughly, and as a result, obtained several Compurite® orders.

The beauty of IDS in regard to legislation compliance mailings, is that we're able to provide the type of project management that enables companies to respond to rulings with minimal disruption of daily operations. Moreover, there is often a time constraint involved with the compliance, and our ability to meet those deadlines is a critical factor.

Some recent examples of legislation that could represent IDS potential include:

a. Catastrophic Care Act

On July 1, President Reagan signed into law an historic expansion of Medicare into catastrophic coverage for the elderly. It was the most comprehensive reform on the Medicare program since it was enacted 23 years ago. As a result of this legislation, regulations are being instated which require that existing policyholders of the Medicare Medigap plan be notified by their insurer of the modifications to be made to Medicare supplement insurance policies at least 30 days prior to the annual effective date of Medicare benefit changes.

b. Will California become a No-Fault state?

Presently on the ballot for November elections is the issue concerning the transition of California to no-fault status. No-fault insurance permits accident victims to recover such financial losses as medical and hospital expenses and lost income from their own insurance companies, regardless of who was at fault.

Insurance companies are encouraging their policyholders to vote "yes", and several have subsequently communicated this by mail. IDS has obtained some of these orders.

c. Banking and Insurance

Of perhaps future consequence to the IDS strategic approach to insurance, is the growing number of states passing legislation permitting state chartered banks to sell insurance. (Illinois recently became the 14th.) This trend will undoubtedly have an impact on the industry, and IDS may be able to take advantage of its inter-market presence to obtain a variety of insurance-related business from banks. According to a recent article in Best's Review: "banks are pushing for the go-ahead to market insurance and are not giving thorough consideration to the tremendous amount of paperwork and effort required to write, place and service even a quote, or explain coverages."

3. Types of Insurance

a. Life Insurance

Life insurance is protection against the financial and economic loss caused by death. Life insurance provides the means by which persons may at least partially

compensate family members for the loss of future earnings in the event of early death. Life insurance enables individuals to create funds for retirement when the years have deprived them of their earning power.

Life insurance remains an important facet in personal financial planning even with the enormous growth of employee pension plans and government social insurance plans. In the U.S. at the end of 1978 about $2.8 trillion of life insurance was in force, of which 44 percent was group insurance (excluding an additional 5% of group credit life). In 1987, 390,017,000 policies were in force. The Employee Retirement Income Security Act of 1974 provided tax incentives for individuals not covered by employee plans to save for retirement years and has resulted in increased purchases of life insurance and deferred annuities.

The number of U.S. legal reserve life insurance companies in business at the end of 1985 totaled an estimated 2260. Of the companies in business at mid-year 1985, a total of 2079, or 94.1%, were owned by stockholders. The remaining 131 were mutual companies. Mutual companies, which are generally older (many over 100 years old) and larger than the stockholder-owned companies, had 53.0% of the assets of all U.S. life companies and accounted for 41.1% of life insurance in force. In the past 19 years, eight companies have converted from the status of a mutual company to a stock company and two stock companies have converted to mutuals.

At the end of 1984, companies in business between 50 and 100 years accounted for 20.2% of the assets and 25.2% of the total in force. Younger companies - those in business for 25 to 50 years - had 9.8% of the assets and 14.6% of the life insurance in force. The newest companies, those in business less than 25 years, had 12.3% of assets and 18.0% of the insurance in force.

The life insurance business has developed two basic methods of distributing life insurance contracts: 1) individual insurance and, 2) group insurance. The purpose of utilizing more than one system of marketing life insurance is to reach the largest possible number of insureds. No one technique has proved best in selling the idea of life insurance to all markets. The two basic methods are called the major classes of life insurance.

The life insurance business has to a large degree emphasized the sale of ordinary life insurance. The protection is issued on the basis of individual applications through life insurance agents, and may be adapted to almost every insurance need. Today it accounts for about 50 percent of all life insurance in force. It is usually written in units of $1,000, and the average new policy is for over $18,000, having doubled in the past ten years. Premiums are computed on an annual basis, but may be paid monthly, quarterly, semi-annually or annually. Premiums are due and collectible at the home office or the branch office of the insurer.

Group life is the most recent and most rapidly growing major class of life insurance, accounting for 49 percent (including credit life) of life insurance in 1978. It differed from ordinary life insurance in that the unit of selection is the group rather than the individual. Most group plans are sold to employers for their employees but others are also sold to credit unions, trusts and associations.

1. Life Company Organization:

Life insurance companies often organize their internal operations according to broad categories - by product, by function, and by territory. Regardless of which method is used, activities within those categories are grouped together into departments, and each department is usually headed by a Vice President.

The departments found in a typical life insurance company include the administrative department, systems and data processing, actuarial, marketing, underwriting, policyowner service and claims, law, investment and accounting departments.

Activities which are common to many departments within the company are commonly handled by an Administrative Department; these activities include personnel, office services and building services. The personnel department handles a number of employee matters, including the administration of such employee benefits as group insurance plans, tuition refund plans, as well as employee pension and retirement plans.

The Systems and Data Processing function also affects a number of departments in the company, since many departments use the computer in their own operations. The systems and data processing department serves other departments by establishing

procedures and programs that enable them to utilize the computer in their own work; for example, it helps the accounting and actuarial units to use the computers in their calculations. The systems and computerized files help prepare financial statements, conduct analysis of the various procedures and systems used in the company, and designs new systems as needed.

The Actuarial Department is responsible for seeing that the company's operations are conducted on a sound financial basis. This department determines adequate premium rates and policy reserves and establishes the surrender values, settlement options and policy dividends. The actuarial department works in conjunction with the law department to design new policies and write new policy forms. In addition, the actuarial Department makes statistical studies concerning such areas as mortality and policy lapses.

The Marketing Department is sometimes called the agency department of the sales department. This department is primarily responsible for the recruiting, training and supervising of the field force. In addition, the marketing department conducts studies to determine the proper number and location of field offices, develops sales promotion programs and literature, and works with the actuarial and law departments in the development of new products and policies.

The Underwriting Department must make sure that the actual mortality rate of the company's insured does not exceed the mortality rate assumed when the premium rates were calculated. To do so, the underwriting department works with the actuarial department and with medical personnel to establish criteria for the evaluation of applications for insurance coverage. The duties of this department also include the negotiation and management of reinsurance agreements with other insurance companies.

In some companies, the policyowner service and policy claims functions are handled by one department. In other companies, these activities are divided into two separate functional areas. In still other companies, claims are handled by a unit in the law department. As its name implies, the policyowner service department is charged with providing assistance to the company's policyowners and beneficiaries. This assistance usually takes the form of answering a policyowner's questions

concerning his or her coverage and making changes requested by the policyowner. Such changes often concern the policyowner's address, beneficiary designations, mode of premium payment, and the like.

The processing of claims on policies issued by the company is the duty of the claims unit. In this department, claims examiners review claims presented by policyowners or beneficiaries, verify the validity of the claims, calculate the benefits payable, and authorize the payment of benefits to the proper person.

The Law Department makes sure that the company's operations comply with federal and state or provincial laws and insurance department regulations. The law department also studies current and proposed legislation to determine their affects on the company's operations, advises the claims unit on disputed claims, and represents the company in any litigation. It also cooperates with the accounting department in determining the company's tax liabilities, and it participates in the development of policy forms and other contractual forms used by the company.

The Investment Department handles the company's investment program according to the policies established by the company's investment committee and its board of directors. This department also makes recommendations to the finance committee about the purchase and sale of various stock and bond issues and is responsible for the continued supervision and evaluation of securities owned by the company.

The Accounting Department is responsible for the company's general accounting records, the preparation of financial statements, the control of receipts and disbursements, and the maintenance of budgetary control over departmental expenses. This department is also concerned with company compliance with government regulations and tax laws.

b. Property and Casualty Insurance

The basic function of property and casualty insurance is described as the transfer of risk. Its aim is to reduce financial uncertainty and make accidental loss manageable. It does this by substituting payment of a small, known fee -- a premium -- to a professional insurer in exchange for the assumption of the risk of a large loss, and a promise to pay in the event of such a loss.

The transfer of risk is outlined in the insurance company's product, the policy. The policy is a contract which legally binds the seller (insurer) and the buyer (policy holder) to certain obligations.

Property and casualty insurance companies offer a wide range of policies covering:

- losses of or damage to property
- policy holder's legal liability to pay for injuries or damage for which the policy holder is responsible
- costs arising from job related injuries and illnesses
- protection for employers against losses caused by fraudulent or dishonest acts of employees (fidelity bonds)
- failure of a contractor to perform specified acts within a stated period (suretyship).

The property/casualty insurance business in the United States comprised 3,555 individual companies early in 1987, according to information provided by the insurance departments of the various states. About 900 or 3,555 companies operate in all or most states and among them write a vast majority of the business. The other companies perform vital insurance services limited to people in sharply defined geographical areas or to members of specialized groups, such as farmers.

Home offices of the companies are scattered among the 50 states and the District of Columbia. Thirty-three states house 30 or more companies each. The state with the greatest number of company home offices is Illinois, with 289, followed by Texas with 218, New York with 205 and Iowa with 202. (See appendix on state distribution).

1. Property and Casualty Insurance Company Organization:

   Like other insurance companies, the ultimate control in a Property/Casualty company is in the hands of a board of directors in a stock company, and a similar group in a mutual company. The top executive officer is usually the president. He may also have one or more executive vice presidents. These positions and their functions are not dissimilar from those of other businesses.

   The next level is composed of numerous departments, each headed by an officer who is usually a vice president or its equivalent. Some of those are similar to other businesses: accounting, investments, personnel, purchasing and sales, along with a secretary and a treasurer. The other departments are unique to the insurance business: actuarial, claims, and underwriting.

In general, these departments are approximately on the same level, although some of them may be combined under one person who might be called a senior vice president. Sometimes a single important department might be headed by a person with a similar title; usually this is more a matter of personality than organization.

Actuarial:

The promulgation of rates, rating structures and classifications and the preparation of policy forms and endorsements are the primary functions of the actuarial department. Statistics are used extensively too. Rates are determined from past experience as projected into the future, so they necessarily reflect the claims which are paid and the quality of risks which are accepted. Rating structures and classifications are the joint responsibility of the actuarial and underwriting departments in most companies; they are determined by joint efforts but are controlled by the actuarial department.

Claims:

The settlement of claims is the function of the claims department. Many companies that employ their own claims adjusters are involved in the entire process of selecting, hiring, training and supervising and adjusters. Other companies use outside adjusters, either independent or in organizations; their company staffs are reduced correspondingly. All types of claims departments assist the actuarial and underwriting departments in preparing contracts and in revising them as needed. They often operate in an advisory capacity on classifications and other areas where they can supply their expert knowledge. In return, underwriters often assist the claims department in interpreting coverages; the underwriting intent sometimes is the determining factor on questionable claims.

Underwriting:

The acceptance or rejection of risks, the the application of classifications and rates, are functions of the underwriting department. Its members also cooperate with the actuarial department in establishing rating structures, rates, classification systems and contracts. The underwriting department assists the claims department in decision on borderline claims and in establishing company policy on settlement of claims.

Underwriting requires a high degree of technical skill and detailed knowledge of the relationship with other major departments. A rate structure may be developed carefully, with a projected underwriting profit when used in conjunction with an approved underwriting program. If underwriters become unduly liberal in the acceptance of risks or become careless in the assignment of rate classes, the rate structure can become inadequate within a very short time. This can result in underwriting losses and financial disaster.

c. Health Insurance

Only about 30 percent of all health care expenditures are paid directly by consumers, either through health insurance premiums or direct charges. The Government pays about 40 percent of the health care bill, and private health insurance pays nearly all of the remainder, about 30 percent. Of course, all money originates with the consumer and is taxed or charged as premiums.

In viewing these figures, it is important to recognize that a significant percentage of the health care bill is still paid by the consumer, either directly or indirectly. But while many people have some form of health insurance, few people have complete coverage. In addition, since the government pays a big percentage of the health care bill, it also ends up with a lot of influence on how the system operates.

Health insurance removes some of the financial constraints of obtaining health services by spreading the risks and costs of care across large numbers of people. While there are many types of health insurance, all of them in one way or another serve this primary purpose.

Under national and state entitlement programs, the government is the underwriter of care, or insurer, and pays for most benefits. Under private insurance, non-profit organizations like Blue Cross and Blue Shield and for-profit organizations like Aetna collect funds from enrollees and their employers and pay for benefits and operating costs, retaining the difference for themselves as profit.

The amount of money that the government can spend on health care is determined by political decisions that weigh the amount of funds available against other uses for the money. Recently, limits on tax increases and public spending, combined with rapid escalation of the costs of health care, have stressed the government's ability to pay for care.

Private insurers, on the other hand, are limited to the revenue collected from enrollees and their employers through premiums. Premiums, in turn, can only be raised to the extent that they remain competitive in the health insurance market place.

All insurers, whether government or private, are facing the pressures of increasing health care costs, competition in the marketplace, and fiscal constraints from employers and tax-payers.

At the end of 1985, more than 181 million Americans -- 77% of the civilian non-institutional population -- were protected by one or more forms of private health insurance. These included over 167 million persons under 65 -- representing 80% of this age group. Nearly 14 million older persons, almost 5 in 10 in the 65 and older population, held private health insurance policies to supplement benefits available through Medicare.

Various forms of private health insurance coverage are available from several different types of insurers: insurance companies, hospital and medical service plans (like Blue Cross and Blue Shield), group medical plans operating on a pre-payment basis (such as health maintenance organizations), and others.

1. Types of Health Policies

   a. Private:

   1. Medical Expense insurance or reimbursement type

      This type of policy pays all of, or a percentage of, the actual charges of hospitals and medical care, and sometimes includes coverage for physicians' charges and related services.

   2. Hospital Indemnity Insurance

      Another basic category of policy is generally called hospital indemnity insurance. This is not directly tied to health care costs. Although it is always grouped with other health care insurance, it really, as the name indicates, is insurance to augment ones income, but since it pays during hospitalization, it is properly called health insurance. It is not to be confused with disability insurance, which has a much broader function and replaces part of one's income without requiring hospitalization.

3. Disability Income Insurance

   The purpose of disability income insurance is to protect one against loss of income due to inability to work, generally because of illness or accident.

4. HMOs

   An entirely different kind of health insurance coverage is provided by HMOs -- the only coverage in the United States that in any way resembles the national health care plans of other countries. Unlike a national health care plan, however, membership in one HMO does not automatically entitle you to care nationwide; it is primarily a local service, limited to residents of a specific geographical area. (See section following on HMOs.)

5. Medicare

   Medicare does not fit into any of the previous categories (although a Medicare beneficiary may elect to join an HMO). It is health insurance provided by the federal government to the totally disabled, to those with end-stage renal disease, and to those over age sixty-five who are eligible for Social Security. (It may be purchased even if you are not eligible but the cost is so prohibitive as to make that option an unrealistic one). Medicare coverage is far from complete and is getting increasingly costly. Even those who have both Medicare Part A and B will usually purchase supplemental insurance as protection against some of the charges not covered by Medicare.

6. Service Type Insurance

   There are types of insurance that do not quite fit into either of the previous categories, for instance, those that are offered by Blue Cross/Blue Shield; this is called service type insurance.

   Blue Cross negotiates contracts with "participating" hospitals to purchase their services at below the going rate. This practice has long been a source of irritation to private insurance companies that have had to pay the full rate. (See section following on Blue Cross/Blue Shield).

b. Blue Cross/Blue Shield:

Blue Cross/Blue Shield is one of the largest and best-known purveyors of health insurance in the United States; its policies can be bought and used nationwide. But it consists of not one but ninety-eight locally governed, autonomous corporations held together loosely in a nationwide federation but operating independently of one another. In spite of their independent operation, until recently all Blues have had certain characteristics in common, such as nonprofit status, and are generally given the same privileges by all the states. It used to be that Blue Cross/Blue Shield was always a nonprofit organization, but even that is changing; today more and more Blues are turning themselves into for-profit companies.

At the heart of the Blues' system is their relationship with hospitals. All the Blues function primarily by establishing contracts with "participating" hospitals, under which they pay negotiated fixed fees for services rendered to subscribers. A subscriber's Blue Cross premium means that almost all hospital costs are covered; there are no out-of-pocket payments for covered services. It it this arrangement that qualifies the Blues to be call "prepaid" health care providers. Through this arrangement they are able to provide broad hospital coverage, usually at a lower cost than commercial insurers. They are different, however, from health maintenance organizations, which also offer prepaid health care (although this difference is being blurred by the fact that some Blues now have a relationship with HMOs).

Blue Cross primarily covers hospital expenses; Blue Shield mostly covers physicians' services. They are separate organizations, although they operate in different ways in different states. In some states, for instance, they are two corporations under a single management. In others they are joint corporations, or they may simply share office space and conduct joint enrollment and billing. Sometimes, as separate organizations, they may actually compete with each other in overlapping benefits.

The Blue Cross and Blue Shield Association coordinates the Blue Cross and Blue Shield plans of the nation. The non-profit member plans service statewide and other geographical areas,

offering both individual and group coverage. The association is the Blues' spokesman on matters of concern. Like any association, it initiates and coordinates programs of public education and professional relations. It works with the Blues on cost containment, and it collects and provides research, statistical, actuarial, marketing, and other information. In addition, it maintains a computerized telecommunication system that links all the state organizations.

One of the most important functions the association performs is in the area of group health insurance. Employers who have plans and offices in more than one state would not be able to offer their employees standard health insurance coverage if they had to take into account the differences among the policies of the various Blues. To reach this lucrative market, the Blues nationwide work with the association to coordinate health policies, so that all the various independent corporations will agree on the premiums and coverage for a given group policy. This complicated negotiation must take place every time a union changes it health care coverage requirements.

The ability to design a health care policy that all the many independent corporations will agree to has led to an enormous expansion of the Blues' influence. Presently, for example, the association is the prime contractor for the Blue Cross organization's administration of Medicare's Part A or hospital insurance. It also coordinates other federal and state health programs. No Medicare beneficiary can be unaware of Blue Cross/Blue Shield, and this has made it highly visible in an area in which there are over one thousand commercial companies competing for the health insurance market.

Blues Plans vs. For-profit Companies:

The relaxed attitude of the hospital's business office when you are admitted with Blue Cross coverage is proof of the good relationship this organization has with hospitals. Blues never pay cash for any covered hospital services; payment is always made directly to the hospital, according to the contract the organization has with that particular hospital.

Like other insurance companies, the Blues offer both group and individual policies (as usual, the individual subscriber pays more for less coverage).

Blue Shield plans provide benefits for surgical and medical services performed by a physician. The typical Blue Shield plan provides benefits similar to those provided under the benefit provisions of hospital-surgical policies issued by insurance companies. In 1986, there were 13 Blue Cross plans and 15 Blue Shield plans in the United States and 50 joint plans, making a total of 78 Blue Cross and Blue Shield plans.

c. HMOs:

Health care coverage is also provided through health maintenance organizations (HMOs), which provide comprehensive health care services for their members for fixed periodic payment. In such plans a group of physicians, surgeons, dentists or optometrists furnish needed care as specified in the contract to subscribers.

There are four basic types of HMOs -- group model, staff model, network model, and individual practice associations (IPAs).

In a group model, (21% of the organizations), a group of physicians provide care to patients at one or more locations.

In a staff model, (21% of the organizations), services are delivered at one or more locations through physicians who are employees of the HMO.

In a network model, an HMO contracts with two or more group practices to provide care.

In an IPA, (60% of the organizations), care is provided through physicians in the community who practice out of their own offices.

As of December 31, 1987, 31,024,000 members were enrolled in the nation's 707 HMOs. HMO enrollment increased nearly 17% in 1987, adding 4.5 million new members. (However, a health maintenance organization (HMO) research group has found that the number of Americans enrolled in HMOs in 1987 increased by the smallest percentage in five years, and the number of HMOs going bankrupt has risen sharply.

Yet, many insurers, including Cigna Corp., Metropolitan Life Insurance Co., and Prudential Insurance Co. of America, are stepping up pressure on companies to shed the traditional free-choice indemnity plans that reimburse employees for most of their medical costs while giving them total control over selecting a doctor. Thus, insurers are shocking clients with rate increases of 25% or more for the free-choice plans, or in some cases refusing to renew the plans at any price. As a substitute, they are offering their own health maintenance organizations, which are more restrictive but less expensive than the free-choice programs. These plans are potentially more profitable for the insurers and are designed to combat inroads into their business by independent HMOs and other health care groups.

Membership in HMOs is concentrated in large HMOs. California dominates HMO enrollment with over 7.5 million members in the 63 plans headquartered there. Thirteen states added more than 100,000 new members in 1987. HMO enrollment in Arkansas, Idaho, Iowa, Louisiana, Maine and South Dakota grew rapidly 1987. The South Atlantic and West Central regions also showed a surge in HMO growth. (See HMO appendix.)

Federal qualification continues to be important for HMOs in all age groups. A federally qualified HMO has been approved by the Federal Office of Prepaid Health Care for voluntarily complying with a set of quality assurance and financial standards, and voluntarily complying with a comprehensive benefit package that includes physician and hospital services. Federally qualified HMOs attract nearly 80 percent of all members, a total of 22.8 million, compared with 5.8 million enrollees in non-federally qualified HMOs.

4. Summary

The previous sections have outlined the structure of the insurance industry. As you can determine from its scope, this market is communication-intensive, and thus represents enormous potential for IDS products and services. The sections to follow will discuss that potential in detail, followed by a set of steps that will better enable us to capitalize on the IDS insurance opportunity.

II. SITUATION ANALYSIS: IDS AND INSURANCE

The past several years have revealed a trend in the U.S. away from the traditional manufacturing philosophy toward an economy based on services, new technologies and management. Moore has responded to this trend by capitalizing on its advanced imaging and response processing capabilities to formulate Information Distribution Services.

Because of Moore's penetration into the mailing services market, additional customer needs have been identified such as service needs, project management, data base management and data manipulation and transmission. More recently it has been identified that a vertical market focus is truly required to penetrate the imaging and information marketplace with IDS products and technology.

In January of 1987, an IDS sales force 120 representatives and managers was established to sell IDS products within eight vertical markets. The nature of the IDS service offering necessitates a high level of application expertise for project definition along with specific knowledge of the customer's industry.

The IDS marketing structure was redefined in January of 1988 to identify customer needs and to marry those needs to our current and future technological planning. This marketing strategy will focus on industry segmentation to establish IDS expertise within defined markets.

TOTAL 1987 IDS SALES: $51,455,240

DEDICATED VOLUME: 17,140,336
CORE VOLUME: 34,314,904

IDS INSURANCE SALES: 2,076,066 (4% of IDS Sales)
(*Does not include HMOs or Blue Cross/Blue Shield)

DEDICATED VOLUME: 928,373 (55%)
CORE VOLUME: 1,147,693 (45%)

A. Market Segments

The entire insurance industry is actually classified by nine SIC segments. These nine segments are as follows:

6311: Life Insurance
6321: Accident and Health Insurance
6324: Hospital and Medical Service Plans
6331: Fire, Marine, and Casualty Insurance
6351: Surety Insurance
6361: Title Insurance
6371: Pension, Health and Welfare Funds
6399: Other kinds of insurance, not classified
6411: Insurance agents, brokers, and other services

However, these SICs do not represent how the insurance market will be segmented for IDS purposes. The sections to follow will demonstrate the primary insurance categories for IDS Marketing Programs. They are life insurance, property/casualty, health insurance and independent agencies.

Prior to further discussing insurance and IDS, it is important to note that the core side of our business has successfully penetrated the insurance marketplace with such offerings as certified text control, forms management, and other useful solutions for this paper-intensive industry.

Core sales in the insurance industry to date have been:

1986: $52,503,000*
1987: $53,038,000*

*Does not include sic 6411, Insurance agents, brokers, and other services.

B. IDS Insurance Industry Breakdown: Segments and Potentials

1. SIC 6311: LIFE INSURANCE

IDS SALES: $1,005,327 88 orders -3.4 Concession Pct.

COMPOSITION OF BUSINESS:

1. 1099s/W-2s: 39%
2. Promotional: 26
3. Benefit stmts: 13
4. Proxies: 9
5. Legislative: 9
6. EOB/ck: 4

LIFE TOTAL MARKET POTENTIAL:

1. BENEFIT STATEMENTS: $320,400.
   (1 X .25 X 1,281,600 (no. of life home office employees)

2. W-2s: $217,872.
   (1 x .17 x 1,281,600)

3. 1099s: $58,607,850.
   (1 x .15 x 390,719,000)

4. PROXIES: (% of Mutual policies calculation based on assets-ratio)
   (1 x .17 x 261,781,730 = 44,502,894 +
   RESP A.: 1 x .50 x .07% of above = 9,162,360)
   = $53,665,254.

5. PROMOTIONAL: (policyholders & agents)
   (1 x 390, 719,000 + 1,830,200 x .20) $78,509,840.

6. PREMIUMS: (Chose QTRLY as average)
   (4 x 390,719,000 x .12) $187,545,120.

TOTAL LIFE MARKET POTENTIAL: $378,866,336.

2. PROPERTY CASUALTY SEGMENT: SICS: 6331, 6351, 6361

1987 IDS SALES: $436,689 50 orders -6.9 Concession Pct.

COMPOSITION OF BUSINESS:

1. Proxies: 24%
2. W-2s (1099): 23%
3. Bene Stmt: 16%
4. Legislative: 13%
5. Promotional: 12%
6. Feature: 8%
7. ID Card: 4%

PROPERTY/CASUALTY MARKET POTENTIAL:

1. PROXY (MUTUAL): (1 x .17 x 86,250,000 + RA: 1 x .50 x .07)	$17,681,500.
2. W-2s: (1 x .17 x 501,300 (home office)	85,221.
3. BENEFIT STATEMENT: (1 x .25 x 501,300 employees)	125,325.
4. AUTO ID CARD: (1 x .35 x 125,000,000 auto pols)	43,750,000.
5. PROMOTIONAL (agents & policyholders/ 1/3 multiple pols): (1 x .20 x 251,058,369)	50,211,673.
6. PREMIUMS: (4 x 375,000,000 x .25)	375,000,000.
TOTAL PROPERTY/CASUALTY MARKET POTENTIAL:	**$486,853,469.**

3. HEALTH INSURANCE SEGMENT: SICS: 6321, 6324, 6371:

This segment will also focus on HMOs, Blue Cross/Shield and Medicare for marketing purposes. However, the SICs do not reflect this and thus sales data for these groups will be harder to pinpoint.

1987 IDS Net Sales: 197,910
18 orders 1.6 conc. pct.

Composition of Business:

The volume within these sics primarily consisted of 1099s/W-2s, plastic & paper cards, promotional pieces, and a pension fund order. The total market potential for health insurance as addressed, is difficult to calculate because of the lack of Blue Cross information. Moreover, the calculations done for the life segment overlap into this segment because life companies sell health insurance. However, total market figures are included for some specific applications in regard to private health insurance and HMOs.

Private Health Insurance:

INDIVIDUAL	GROUP
1986: UNDER 65:	
8,575,000 PERSONS	85,238,000

The TOTAL number of individuals covered by one or more health insurance plans, (private/public; all ages) is 181MM+.

HMOs: 31,024,000 members

BC/BS and MEDICARE: (Current data unavailable).

APPLICATION POTENTIALS:

1. EOB/CK: (# OF claims) (1 x .16 x 124,837,000)	$19,973,920.
2. Plastic Cards: (1 x .25 x 124,837,000)	$31,209,250.
TOTAL	**$51,183,170.**

4. INSURANCE AGENTS, BROKERS AND OTHER SERVICES: SIC 6411

IDS Net sales: $428,339*

$333,336 of this business was Finco's (Now Health & Tennis Corp's) coupon book business for health clubs.

Independent agencies (with over 70,000 in the U.S.), is a faction of the insurance industry that needs to be examined more closely. Presently, we are making headway on the core side of the business in providing the forms to help agencies meet their in-house needs. As for IDS, the potential remains to be seen. Quantities may prove too small for our objectives. However, with 70,000 independent agencies in existence, it would be unwise to draw any definite conclusions this soon.

TOTAL IDS INSURANCE MARKET POTENTIAL: $865,000,000-$1,250,000,000.

When focusing on the following applications only:

1. Government Forms
2. Proxies
3. Plastic Cards
4. EOB/CK
5. Benefit Statments/Booklets (Insurance Companies only) -

the target market is $225,636,592. Based on this figure for the above applications, IDS has a .4% market share. However, the target market for premium notices is $562,545,120. When the premium notice application is combined with those above, the total target market then becomes $788,181,712. We have 0.% share of this market. As indicated in the forecasts to follow, by 1992 we will have at least 2% share of this $788MM market.

C. Direct Mail and the Insurance Industry

An important aspect of all the growth trends in the insurance marketplace is the use of direct response techniques. That's the opinion of Stephen E. Bowman, who is president of Bowman Associates, Inc. and of the DRM Group Inc. of Omaha, Nebraska. According to Bowman, companies are competing to improve not just their volume of business but also the quality of their business, through such efforts as diversification, acquisition, alternate distribution systems and the integration of marketing systems. "These companies have learned that direct response techniques are tools that help integrate distribution systems, not compete with them," says Bowman in a section of the National Underwriter's Insurance Marketing Review feature. Some specific areas in which the techniques have proven valuable include market planning, lead generation, mail order business and customer communication.

A 1985 study by the Life Insurance Marketing and Research Association projected that approximately 25 million households would consider buying life insurance directly through the mail from a company if given the opportunity. The survey also revealed that these buyers were present at every economic level.

In 1984 alone, direct marketing generated over $7 billion in premiums for life, health and property/casualty coverage, and there is every indication the market will continue to grow. It is a market with room for new players and new products, according to Bernard T. Murray of John Hancock Mutual Life Insurance Company.

While still marketing their products through agents and brokers, insurance companies are beginning to use direct mail, phone and bank lobby display marketing. Twenty-eight percent of the largest insurors in the U.S. now use these unconventional marketing methods, says a survey conducted by the accounting firm of Ernst & Whitney. Of the 154 chief executives polled, 40 percent said more than 10 percent of their sales came from non-traditional marketing approaches. Ronald P. Freres, national director in insurance industry services at Ernst & Whitney, said Insurance executives are beginning to recognize and take advantage of new market opportunities.

A direct mail survey conducted in 1984 by the Insurance Marketing Communications Association discovered the following:

Questions posed to a sample of 95 insurance companies (49% response rate):

1. How do you sell insurance?

Independent agent/broker	73%
Direct mail	27
Company agent	18
Direct response advertising	16

2. Is your company presently using direct mail?

Yes	63%
No	37

3. Do you have a separate direct mail department?

Yes	8%
No	76
No answer	16

4. What would be your typical cost to produce a single direct mail package consisting of an outside envelope, letter, brochure, reply card and return envelope?

Under .15	8%
.15-.24	18
.25-.34	14
.35-.49	12
.50-.64	6
.65-over	4
No answer	37

5. What direct mail formats do you typically use?

Letters and brochures	59%
Self mailers	39%
Stuffers	24

6. What kinds of postage do you normally use with your direct mail?

First class	39%
Bulk	37
Zip sort	2

7. Who mails your direct mail programs?

Your company	51%
Your agents	18
Your direct response agency	12

8. Where are your reply cards returned?

Home office	47%
Agent	24
Field offices	12
Direct mail house/service bureau	6
Administration office	2

These are only some of the questions included on the survey. Considering this survey was administered in 1984, there is no question that the amount of direct mail has substantially increased over the course of the past three years. What does this mean for IDS?

Although "direct mail" does not fall in line with the future strategy for IDS, not all promotional mailings in the insurance industry are high-gloss solicitations for new customers. In fact, according to the aforementioned survey, 61% of promotional mailings were directed to agents or policyholders (established customer bases). Moreover, insurance companies often use their standard business communications (e.g. premium notices, etc.) to generate inquiries into the other lines of insurance the company writes. Many of these communications also include a substantial amount of variable information that could only be obtained through an established customer data base as opposed to list-generated information.

As indicated in the situation analysis section, in 1987 promotional mailings accounted for approximately 12% of IDS life insurance business, and 9% of IDS property/casualty. The calculated market potential for agent and policyholder promotional mailing expenditures totals out to approximately $130,000,000 - $150,000,000. (This range is to allow for other insurance promotionals outside of life and p/c). Of course, this number does not reflect a target potential, but merely demonstrates the scope of that type of application. Moreover, as indicated by the answers to some of the above survey questions, there is indeed room for IDS solutions in this arena, particularly with question #8; i.e. 47% of companies surveyed have reply cards returned to the home office. We're staring at Response Analysis potential on that issue.

Although the IDS insurance tactical action plans for 1988-89 do not include formal program development regarding promotional mailings, the chances are quite good that this business will continue to expand on its own (serving to supplement our "total source image"), and later, it will be addressed as part of a complete IDS insurance package offering (including Response Analysis).

D. Competition

It is important to note that the disposition of the insurance industry as paper-intensive has caused many (or most) insurance companies to equip themselves extensively in-house (9800s, 9700s, 3800s). A 1985 study estimated the known base of impact printers alone for a portion of the insurance industry to be upwards of 4,000; this of course excludes laser printers which are indeed housed in many an insurance facility. Overall, it is probably safe to say that 85-90% of IDS' competition in this industry is in-house (see tactical action section for plans to acquire more in-depth information on competition in 1988-89).

E. Pricing

The issue of competition provides a natural segue to the topic of pricing. If inroads are to be made into the insurance industry, particularly against in-house competition and with repeat applications, our pricing and manufacturing (MIDAX) need to reflect a comfortable acceptance of more frequent runs (i.e. setups and their corresponding costs).

If we are to provide our customers with worthwhile alternate solutions, we've got to have the means of designing solutions that will ultimately improve our customers' bottom line, whether through an initial system savings, or through increased interest income generation afforded through improved response time and turnaround. In 1989 research will help to formulate more specific price and competitive guidelines in this area.

F. Product

So in light of our present strengths and weaknesses, how should this industry be addressed? Our best chances of making initial headway into insurance is with our established value-added programs, initially, government forms and plastic cards. These are two IDS applications that have realized relative success in insurance to date, and in some cases have led to much greater possibilities (an example is John Hancock Insurance). While these applications are serving to introduce and publicize IDS services (see section on promotion), "proxies" and "explanation of benefits with check," will be researched for formal program development. The explanation of benefits with check application has already been successfully sold to American General Insurance (utilizing electronic data transmission on a daily basis), and represents total insurance market expenditures of $20 million. Proxies will also be explored for package potential, perhaps through utilizing Moore's Certified Text Control services. (See tactical action plans).

While discussing product, it is also important to note the importance of accurate and efficient data transmission if we are to successfully capture time-sensitive repeat business applications. A committee is presently working on recommending and ultimately implementing data transmission enhancements that would best meet our needs in this area.

Ultimately, the development of data base management capabilities will enable us to offer complete insurance package offerings, including all policyholder applications, from plastic ID cards to premium notices.

Lastly, our recent development of the intelligent envelope configuration on the MFE equipment may offer potential in specific areas of the insurance industry where predictable payments are inherent (HMOs appear to offer the most potential to date).

G. Promotion

As discussed previously, it is important that we enhance our insurance customer relationships and increase the presence of IDS in the industry if we expect to take on greater projects. In order to more effectively do this, our 1099/W-2, Plastic Card, and possibly proxy offerings will be advertised in the hopes that their value-added characteristics will offset in-house objections and expand our reputation as a total source for business communications needs. In 1989, our government forms and plastic card offering will be publicized in the leading insurance periodicals that enjoy maximum industry exposure. These are:

1. National Underwriter: Life/Health edition
2. National Underwriter: Property/Casualty edition
3. Best's Review

(See budget section for expenditure requirements.)

H. Distribution

In order to effectively target and sell IDS system solutions within the insurance industry, it is necessary for a representative to understand the nature of the business, as well as specifics regarding the various segments (i.e. life, health, prp/cas, agencies). Combine this with a knowledge of system analysis and selling, and the representatives will be better equipped to overcome industry obstacles. Subsequently, only the Dedicated Sales Force is recommended to sell IDS to insurance companies. However, it is essential that representatives receive adequate training and frequent updates to maximize opportunities. (See Action Plans regarding training.)

Additionally, it is recommended that a select group of representatives be dedicated to strictly selling insurance in high-density states. This would definitely serve as a catalyst for establishing our reputation in the industry, and perhaps more easily provide us with information and beta test sites for new programs. The distribution of these representatives can be approached in either of 2 ways:

1. Assign representatives in those states that have the largest number of insurance companies.

2. Assign representatives in those states that write the largest premium dollars.

   If we assigned representatives in the states that had the largest number of companies, we could cover 46% of life and 26% of property casualty companies with 7 representatives alone:

P/C Home Offices		LIFE	
IL:	289	AZ:	634
TX:	218	TX:	286
NY:	205	LA:	115
IA:	202		1035
	914		
26% of P/C Co's		46% of Life Cos.	

   However, as discussed earlier, and particularly with life, a small percentage of companies are writing a large chunk of the business. So the best distribution would probably be a combination of reps covering states with a large number of companies, and states where companies are writing the largest percentage of the business. The recommendation then is to dedicate 5 representatives, one in each of the following states:

   1. Connecticut
   2. Illinois
   3. Iowa
   4. New York
   5. Texas

   These five states will enable representatives to call on the larger insurers for all lines of insurance, while also having a wide selection of small to middle market companies to call on (which is important as we continue to research and develop our niche).

III. TACTICAL ACTION PLANS

Strategy/Action Items	TIME FRAME	COMMENTS
1. Conduct research study to gather more specific statistics: a. Make-up of in-house competition b. Information regarding unidentified applications for various segments.	Complete First Quarter, 1989	Research will be requisitioned to conduct this study. Need to also consider EFT competition.
2. Develop formal communication series on the industry and program opportunities for the dedicated sales force.	Begin Fourth Quarter, 1988	First release, Fourth Quarter.
3. Educate the dedicated sales force regarding insurance through classroom curriculum as a supplement to educational releases.	Complete 1989	Sales Education is the driving force behind this plan.
4. Purchase equipment to access I.I.I. property/casualty database to foresee legislative compliance opportunities and keep the field up-to-date.	Complete Fourth Quarter, 1988	See Budget expenditures section for costs.
5. Insurance Market Manager to take 3-5 insurance related courses/seminars by end of 1989.	Complete Fourth Quarter, 1989	See Budget expenditures section for costs.
6. Conduct research into Blue Cross/Blue Shield and Medicare structures and characteristics. Plan strategies.	Complete Second Quarter, 1989	Market Manager will conduct research.

Strategy/Action Items	TIME FRAME	COMMENTS
7. Establish Blue Cross/Blue Shield network of representatives using Marketing as a hub to communicate and share information.	Complete Second Quarter, 1989	
8. Review Healthcare Billing potential again in 1989.	Complete Third Quarter, 1989	
9. Investigate the operations of banks in 13 states where they can sell insurance. Work with financial Market Manager on potential implications of this legislation to identify strategies.	Begin Fourth Quarter, 1989	A plan and formal offering should be investigated here to take advantage of a potential ground floor opportunity.
10. Establish relationship and joint seminars with Moore's Certified Text Control Group in New York. Investigate/ develop formal proxy program offering utilizing CTC as value-added service.	Begin Fourth Quarter, 1988	
11. IDS Marketing will hire a Marketing statistician who can assist with and/or develop the various research and analytical tools needed to be derived from our database and other resources.	Complete 1989	This action plan is a strong recommendation.
12. Investigate MDMS objectives for HMOs and possible joint offering.	Complete First Quarter, 1989	

Strategy/Action Items	TIME FRAME	COMMENTS
13. Investigate and develop formal program offerings for the following: a) Proxies: begin Fourth Quarter, 1988 b) EOB/CK: begin First Quarter, 1989	Complete Second Quarter, 1989	Time frame and requirements will become clearer as project gets underway.
14. Advertise established program offerings of government forms and plastic cards.	Complete 1989	See Budget expenditures section for costs.
15. Formulate outline for long-term direction regarding IDS and insurance. Target market and specific companies for insurance "package" beta test.	Solidy Plan by Fourth Quarter, 1989	

IV. BUDGET EXPENDITURES

The following is a summary of necessary budget expenditures, followed by detailed itemization sections for promotional and training.

1. Promotional:

a. Advertising:	10,455.00
b. Trade Shows:	7,000.00
c. Comm. Series:	5,000.00

2. I.I.I. Data Base:

a. Software and Modem:	500.00
b. Line Usage:	2,500.00

3. Market Manager Training:

a. Seminars, Courses, Travel:	4,700.00

4. Travel to Customer Sites:

a. For Research, Support, etc.	10,000.00
TOTAL 1989 BUDGET:	40,155.00

Composition of $22,455 Promotional Expenditures

a) Advertising:

1) Best's Review	$2,335	Government Forms
(1 b & w = $2,335.)	$2,335	Plastic Cards
	$2,335	(Proxy's or EOB)
2) National Underwriter		
3 ads P/C edition	$1,860	
3 ads Life/Health edition	$1,590	
TOTAL PRINT ADVERTISING:	10,455	(Space only)

b) Trade Shows $7,000

This amount is allotted to cover expenses for exhibition at a 1989 trade show (the definitive one has yet to be determined). Considered in this amount was:

1) exhibit space cost
2) exhibitor fee
3) cost of shipping and drayage
4) miscellaneous services (chairs, plant, etc.)
5) transportation and accommodation of attendees

Composition of $4,700 Training Expenditures

1) Community Education, District 214
Free Seminars:

a) "Your Insurance Policies" (1 session - free)	0.00
b) "Health Insurance - Non-Medicare"	0.00
c) "Health Insurance - Medicare"	0.00

2) American Marketing Association

a) 1 Seminar re: pertinent marketing topic	900.00
b) 1 Seminar re: pertinent marketing topic	900.00

3) Local Community College Network

The community colleges offer in-depth courses in insurance. During the course of the coming year, I would like to budget for two of those.

a) 1 In-depth insurance course	200.00
b) 1 In-depth insurance course	200.00

4. Training For Use of the Insurance Information Institutes Data Base

Cost is for travel expenses to the I.I.I. in NYC.	900.00

5. Travel, Books and Unidentified Training

There are likely to be some as yet unidentified training seminars that will be pertinent (possibly administratively related, i.e., data base, MacIntosh, etc.), as well as miscellaneous travel and expense that should be planned for.	1,600.00
TOTAL TRAINING BUDGET FOR 1989:	4,700.00

V. FORECASTS

The following are estimated forecasts for IDS sales in the insurance industry. These figures represent conservative approximations of growth should the plans outlined in this document be put in place.

	IDS Insurance Net Sales	
1987	1,742,664*	
1988	2,317,744	(33% growth: no programs introduced).
1989	3,430,000	(40% growth with initial introduction of proxy and EOB programs).
1990	5,488,000	(60% growth with full impact of above programs, and start of premium growth).
1991	9,604,000	(75% growth with impact of increased premium business).
1992	15,366,400	(60% growth will bring us to 2% share of $788MM market).

(* 1987 sales figure without Finco business)

VI. APPENDIX

A. Insurance Companies by State

   1. Life
   2. Property/Casualty

B. Insurance Commissioners by State

C. HMO Charts

D. Insurance Direct Mail Study

E. Insurance Information Institute Data Base Information

F. References

A. 1. LIFE INSURANCE COMPANIES BY STATE

LEGAL RESERVE LIFE INSURANCE COMPANIES

LISTED BY STATES

ALABAMA

Alabama Reassurance Company, Tuscaloosa
Alfa Life Insurance Corporation, Montgomery
American Colonial Life Insurance Company, Montgomery
American Educators Life Insurance Company, Birmingham
American Foundation Life Insurance Company, Birmingham
The American Life Assurance Corporation, Montgomery
Associated Doctors Health and Life Insurance Company, Birmingham
Assured Security Life Insurance Company, Birmingham
Bankers Credit Life Insurance Company, Montgomery
Booker T. Washington Insurance Company, Inc., Birmingham
Continental Investors Life Insurance Company, Inc. (A.L.), (Ala.) Wheat Ridge, Colo.
Education and Retirement Life Insurance Company, (Ala.) Clearwater, Fla.
Employers Life Insurance Company, Birmingham
First National Life Insurance Company, Montgomery
Liberty National Life Insurance Company, Birmingham
Life insurance Company of Alabama, Gadsden
Life South Insurance Corporation, Birmingham
Loyal American Life Insurance Company, Mobile
Mutual Savings Life Insurance Company, Decatur
National Security Insurance Company, Elba
National Union Life Insurance Company, Leeds
The New Southland National Insurance Company, Tuscaloosa
Old Southern Life Insurance Company, Montgomery
Preferred Life Insurance Company, Montgomery
Protective Industrial Insurance Company of Alabama, Birmingham
Protective Life Insurance Company, Birmingham
Security Life Insurance Company of America, Mobile
Southern United Life Insurance Company, Decatur
Southwide Life Insurance Corporation, Birmingham
United Trust Life Insurance Company, Montgomery
Vulcan Life Insurance Company, Birmingham

ALASKA

The Life Insurance Company of Alaska, Anchorage

ARIZONA

Admiral Life Insurance Company of America, (Ariz.) Minneapolis, Minn.
Adobe Life Insurance Company, (Ariz.) Austin, Texas
Alcazben Life Insurance Company, Phoenix
Alamo Life Insurance Company, Phoenix
Alexander Hamilton Life Insurance Company of Arizona, (Ariz.) Farmington Hills, Mich.
Algonquin Life Insurance Company, (Ariz.) Arlington, Texas
Allen-Newman Life Insurance Company, Phoenix
Allied American Life Insurance Company, Phoenix
Ameribane Life Insurance Company, (Ariz.) St. Joseph, Missouri
American Century Life Insurance Company, (Ariz.) Arlington, Texas
American Consumers Life Insurance Company, Phoenix
America Dealers Life Insurance Company, Phoenix
American Modern Life Insurance Company, Phoenix
American Savings Life Insurance Company, Phoenix
American Service Life Insurance Company, Phoenix
American Transcontinental Life Insurance Company, Phoenix
American Trend Life Insurance Company, Scottsdale
American Underwriters Life Insurance Co., (Ariz.) Goddard, Kan.
American Way General Insurance Company, Scottsdale
Amity Life Insurance Company, Phoenix
Amnest Life Insurance Company, (Ariz.) Valley Forge, Pa.
Amory Insurance Company, Phoenix
Arbor Life Insurance Company, Phoenix
Arcadia National Life Insurance Company, (Ariz.) San Diego, Cal.
Arizona Life Reassurance Company, (Ariz.) Diamond Bar, Cal.
Arizona National Life Insurance Company, (Ariz.) King of Prussia, Pa.
Arizona Reassurance Company, (Ariz.) Grapevine, Texas
Arizona and Southern Life Insurance Company, (Ariz.) Bellevue, Wash.
Arkansas Financial Life Insurance Company, (Ariz.) Carrollton, Texas
Associated Home Life Insurance Company, (Ariz.) Chicago, Ill.
Associated Investors Life Insurance Company, Phoenix
Astro Life Insurance Company, Phoenix
Atlantic Phoenix Life Insurance Company, Phoenix
Auto-Tex Life Insurance Company, Phoenix
Autosure Life Insurance Company, Phoenix
B W S Insurance Company, Scottsdale
Base One Life Insurance Company, Phoenix
Bank of New York Life Insurance Company, Incorporated, Phoenix
Banker's Capital Life Insurance Company, Phoenix
Bankers Exchange Life Insurance Company, Phoenix
Banker's Trust Life Insurance Company, Phoenix
Bay Colony Life Insurance Company of Arizona, (Ariz.) Springfield, Mass.
Beneficial Assurance Company, Phoenix
Bronze Valley Life Insurance Company, Phoenix
Breton Life Insurance Company, Scottsdale
Broadmont Life Insurance Company, Phoenix
Buckeye State Insurance Company, Phoenix
CBI Insurance Company, Phoenix
C. L. V. Life Insurance Company, Scottsdale
C N Life Insurance Company, Phoenix
California Federal Life Insurance Company, Phoenix
Camelback Life Insurance Company, (Ariz.) Bannockburn, Ill.
Cameron Life Insurance Company, Phoenix
Campbell Life Insurance Company, (Ariz.) Carrollton, Texas
Canyon State Life Insurance Company, Phoenix
Capital Assurance Life Insurance Company, Phoenix
Capital Funding Life Insurance Company, Phoenix
Capital Investors Life Insurance Company, Phoenix
Capitol American Life Insurance Company, (Ariz.) Cleveland, Ohio
Cardinal & Gold Insurance Company, Phoenix
Carmel Life Insurance Company, Scottsdale
Carolina Credit Life Insurance Company, Phoenix
Cedar Springs Life Insurance Company, Phoenix
Cenco Insurance Company, Phoenix
Centennial National Life Insurance Co., Phoenix
Centerre Life Insurance Company, (Ariz.) Dallas, Texas
Central Hawkeye Life Insurance Company, Phoenix
Central Ohio Life Insurance Company, Phoenix
Central Western Insurance Company, Phoenix
Century Life Insurance Company of Michigan, Phoenix
Chapparal Life Insurance Company, (Ariz.) Dallas, Texas
Charter Group Life Insurance Company, Phoenix
Chevold Insurance Company, Phoenix
Chicago Central National Life Insurance Company, Scottsdale
Chrysler Life Insurance Company of Arizona, Phoenix
Churchill Life Insurance Company, (Ariz.) Dallas, Texas
Citizens Accident & Health Insurance Company, Phoenix
Clabora Insurance Company, Scottsdale
Coast Life Insurance Company, Phoenix
Cobb Life Insurance Company, Phoenix
Columbia Interstate Life Insurance Company, Scottsdale
Commerce Affiliated Life Insurance Company, (Ariz.) Lincoln, Nebraska
Commerce Insurance Company, Phoenix
Commercial Resources Insurance Company, Phoenix
Commodore National Life Insurance Company, (Ariz.) Macon, Ga.
Commonwealth Dealer's Life Insurance Company, Scottsdale
Community Service Life Insurance Company, Phoenix
Concord Life Insurance Company, (Ariz.) Munster, Ind.
Congress Life Insurance Company, (Ariz.) Minneapolis, Minn.
Consumer Life Insurance Company, (Ariz.) Atlanta, Ga.
Consumers Reassurance Company, (Ariz.) Camp Hill, Pa.
Continental Fidelity Life Insurance Company, Phoenix
Continental Heritage Life Insurance Company, (Ariz.) Oklahoma City, Oklahoma
Corona National Life Insurance Company, Phoenix
Corporate Profits Life Insurance Company, Phoenix
Credit Life Company of Omaha, Phoenix
DOBCO Life Insurance Company, (Ariz.) Dearborn, Mich.
D Patrick Life Insurance Company, Phoenix
Dale Life Insurance Company, (Ariz.) Austin, Texas
Dauphin Life Insurance Company, Phoenix
Dealers Credit Life Insurance Company, (Ariz.) Great Neck, N.Y.
Dennis Life Insurance Company, (Ariz.) Shawnee Mission, Kan.
Desert Sun Life Insurance Company, Phoenix
Diamond Benefits Life Insurance Company, Phoenix
Direction Life Insurance Company, (Ariz.) Laguna Hills, Cal.
Dollar Line Life Insurance and Annuity Company, Phoenix
Dublin Reinsurance Company, (Ariz.) Dublin, Ohio
Dun & Bradstreet Life Insurance Company, Phoenix
Educators Life Insurance Company of America, Phoenix
Electric Cooperative Life Insurance Company, Phoenix
Ellison Life Insurance Company, Phoenix
Elsa Insurance Company, Phoenix
Enterprise Life Insurance Company of America, (Ariz.) Arlington, Texas
Enterprise Life Insurance Company of Texas, (Ariz.) Arlington, Texas
Equibas Life Insurance Company, Phoenix
Exceptional Producers Life Insurance Company, (Ariz.) Los Angeles, Cal.
Executive Life Insurance Company of Arizona, (Ariz.) Los Angeles, Cal.
Fairlane Life Insurance Company, (Ariz.) Dearborn, Mich.
Family Guardian Life Insurance Company, (Ariz.) St. Louis, Mo.
Farm and Home Life Insurance Company, Phoenix
Fidelity American Life Assurance Company, (Ariz.) North Salt Lake, Utah
Fidelity National Life Insurance Company, Scottsdale
Financial Credit Life Insurance Company, Phoenix
Financial Life and Annuity Insurance Company, Phoenix
Financial Planners Life Insurance Company, (Ariz.) Inglewood, Cal.
First Alabama Life Insurance Company, Phoenix
First Antenna Life Insurance Company, Phoenix
First Associates Life Insurance Company, Scottsdale

First Colorado Bankshares Insurance Company, Phoenix
First Community Life Insurance Company, Phoenix
First Dallas Life Insurance Company, Phoenix
First Illinois Life Insurance Company, Phoenix
First Maryland Life Insurance Company, Phoenix
First Midwest Insurance Company, Phoenix
First Pacific Life Insurance Company, Phoenix
First Southern Life Insurance Company, Phoenix
First Texas Life Insurance Company, Phoenix
First Trinity Life Insurance Company, Phoenix
First Western Life Insurance Company, Phoenix
Firstmark Life Insurance Company of Arizona, Phoenix
Foothills Life Insurance Company, Phoenix
Fortune Life Insurance Company, (Ariz.) Jacksonville, Fla.
Fourth Financial Insurance Company, Phoenix
Frandsco Life Insurance Company, Phoenix
Fremont Life Insurance Company, (Ariz.) Irvine, Cal.
Frontier Life Insurance Company, (Ariz.) Omaha, Nebraska
Futural Life Insurance Company, Phoenix
G W Life Insurance Company, Phoenix
General Benefit Life Insurance Company, Scottsdale
General Financial Life Insurance Company, Phoenix
Georgia Peoples Life Insurance Company, Phoenix
Gil Life Insurance Company, (Ariz.) San Antonio, Texas
Global Life Insurance Company, Phoenix
Gold Eagle Life Insurance Company, Phoenix
Good Life Insurance Company, Phoenix
Graham National Life Insurance Company, Scottsdale
Grant Life Insurance Company, Phoenix
Great Century Life Insurance Company, Scottsdale
Great Lakes Life Insurance Company, Phoenix
Great Life and Health Insurance Company, Scottsdale
Great Western Insurance Company, Phoenix
Great Wings Insurance Company, Scottsdale
Greater United Life Insurance Company, Phoenix
Guarantee Security Life Insurance Company of Arizona, (Ariz.) Glenview, Ill.
Guard Life Insurance Company, Phoenix
Gulf Capital Life Insurance Company, Phoenix
Gulf Coast Security Life Insurance Company, Phoenix
Gulf Financial Life Insurance Company, (Ariz.) Dallas, Texas
Gulf and Western Life Insurance Company, (Ariz.) Detroit, Mich.
HILICO Life Insurance Company, (Ariz.) Batesville, Ind.
Hampton Life Insurance Company, Phoenix
Hejhai Insurance Company, Phoenix
Hemisphere Life Insurance Company, (Ariz.) Englewood, Colo.
Heritage Life Insurance Company, (Ariz.) Agours Hills, Cal.
Hickory Life Insurance Company, Inc., Phoenix
Historic Valley Life Insurance Company, Phoenix
Home Standard Life and Accident Insurance Company, Phoenix
Horrigan Life Insurance Company, Phoenix
Huffman National Insurance Company, Phoenix
Hurst Life Insurance Company, Phoenix
ISI National Life Insurance Company, Phoenix
Integrity Life Insurance Company, (Ariz.) New York, N.Y.
Internal Equity Life Insurance Company, Phoenix
Investors Growth Life Insurance Company, Phoenix
Investors Life Insurance Company of America, Phoenix
Iowa-Midwest Insurance Company, Phoenix
Irwin Union Credit Insurance Corporation, Phoenix
J C Penney Reinsurance Company, Phoenix
J P Life Insurance Company, Phoenix
Jordan Life Insurance Company, Phoenix
Kent Life Insurance Company, Phoenix
Key Bank Life Insurance, Ltd., Phoenix
Life Insurance Company of Arizona, Phoenix
Lincoln First Life Insurance Company, Phoenix
Lincoln Life Insurance Company, (Ariz.) Dallas, Texas
Lincoln Trust Life Insurance Company, Phoenix
Lincolnshire Life Insurance Company, Phoenix
Lincolnway Life Insurance Company, Phoenix
MIMLIC Life Insurance Company, Phoenix
MONY Life Insurance Company of America, (Ariz.) New York, N.Y.
Mass Life Insurance Company, (Ariz.) Cincinnati, Ohio
Manucor Insurance Corporation, Phoenix
Marathon Life Insurance Company, (Ariz.) Davis, California
Marquette Indemnity Life Insurance Company, Phoenix
Max Mahaffey Life Insurance Company, Phoenix
Mercantile Life Insurance Company, Phoenix
Michiana Life Insurance Company, (Ariz.) Northbrook, Ill.
Mid America Insurance Company, (Ariz.) Kansas City, Mo.
Mid-Atlantic Life Insurance Company, Phoenix
Middle Tennessee Life Insurance Company, Phoenix
Midwest Financial Life Insurance Company, Phoenix
Mississippi Valley Life Insurance Company, Phoenix
Mitchell Life Insurance Company, Phoenix
Modern Pioneers' Life Insurance Company, Phoenix
Monument Life Insurance Company, (Ariz.) Indianapolis, Ind.
Mt. Diablo Life Insurance Company, Phoenix
Mountain Security Life Insurance Company, Show Low
Mutual Investors Assurance Corp., Phoenix
NBD Insurance Company, (Ariz.) Garden City, Mich.
Nalley Western Life Insurance Company, Scottsdale
National Annuity Life Insurance Company, Phoenix
National Bankers Life Insurance Company, (Ariz.) Carrollton, Texas
National City Life Insurance Company, (Ariz.) Cleveland, Ohio
National Commerce Life Insurance Company, Phoenix
National Crown Life Insurance Company, Scottsdale
National Teachers Life Insurance Company, Phoenix
National United Life Insurance Company, (Ariz.) Kansas City, Mo.
Navajo Life Insurance Company, (Ariz.) Houston, Texas
New Bremen Life Insurance Company, Phoenix
New Equity Life Insurance Company, Phoenix
Norlen Life Insurance Company, Phoenix
Norlife Reinsurance Company, Phoenix
Oak Life Insurance Company, (Ariz.) Concord, N.H.
Ocoee Life Insurance Company, Phoenix
Old Alliance Life Insurance Company, Phoenix
Old Family Life Insurance Company, Scottsdale
Old Reliance Insurance Company, Phoenix
Old United Life Insurance Company, Phoenix
Old United Reinsurance Company, Phoenix
Omega Life Insurance Company, Scottsdale
Oneida Life Insurance Company, Scottsdale
Organized Labor Life Insurance Company, (Ariz.) Rockford, Ill.
Orono Life Insurance Company, Phoenix
Oxford Life Insurance Company, Phoenix
P A. T. Life Insurance Company, Phoenix
Pacific Bankers Life Assurance Company, Phoenix
Pacific Security Life Insurance Company, Phoenix
Pacific Standard Life Insurance Company, Phoenix
Palmer Life Insurance Company, Phoenix
Paragon Life Insurance Company, (Ariz.) Fort Worth, Texas
Park Life Insurance Company, Phoenix
Parmisa Life Insurance Company, (Ariz.) Los Angeles, Cal.
Paso Del Norte Life Insurance Company, Phoenix
Patrick Henry Life Insurance Company, Phoenix
Paul Life Insurance Company, Scottsdale
Peachtree Life Insurance Company, Phoenix
Pekin Financial Life Insurance Company, (Ariz.) Pekin, Ill.
Pettt Jean Insurance Company, Phoenix
Pine Top Life Company, Phoenix
Pinnacle Life Insurance Company, Phoenix
Pioneer Annuity Life Insurance Company, Phoenix
Pioneer Reinsurance Company, (Ariz.) Rockford, Ill.
Pioneer Security Life Insurance Company, Phoenix
Pittsburgh National Life Insurance Company, Phoenix
Prairie Life Insurance Company, Phoenix
Presidents Life Insurance Company, Phoenix
Programmed Life Insurance Company, (Ariz.) Englewood, Colo.
Protection Life Insurance Company, Scottsdale
Provider Life Insurance Company, Scottsdale
Prudco Life Insurance Company, Phoenix
Ramser Credit Life Insurance Company, Phoenix
Rayen Life Insurance Company, Phoenix
Republic American Life Insurance Company, (Ariz.) Dallas, Texas
Republic Fidelity Life Insurance Company, Phoenix
Rhea Insurance Company, Inc., Phoenix
Ric-Mon Life Insurance Company, Phoenix
Ridgeway Life Insurance Company, Phoenix
Risk Associates Life Insurance Company, Phoenix
Rocky Mountain Life Assurance Company, Phoenix
Rota Life Insurance Company, Phoenix
Royal Palm Life Insurance Company, Phoenix
Scott Life Insurance Company, Phoenix
Second Gulf Financial Life Insurance Company, (Ariz.) Dallas, Texas
Security Assurance Company, (Ariz.) Omaha, Neb.
Senate Insurance Company, (Ariz.) Schenectady, N.Y.
Shawnee Life Insurance Company, Phoenix
Sierra Blanca Life Insurance Company, Phoenix
Sierra Pacific Life Insurance Company, (Ariz.) Napa, Cal.
Society Life Insurance Company, Phoenix
Southeast Family Life Insurance Company, (Ariz.) Deerfield Beach, Fla.
Southern Bankers Life Insurance Company, Phoenix
Southern Foundation Life Insurance Company, Phoenix
Southern Insurance Services Life Insurance Company, Phoenix
Southern National Life Insurance Company, Phoenix
Southern Provident Life Insurance Company, Phoenix
Southtrust Life Insurance Company, Phoenix
Southwest Financial Life Insurance Company, (Ariz.) Ponca City, Okla.
Sovran Life Insurance Company, (Ariz.) Norfolk, Va.
Spectrum Life Insurance Company, Phoenix
Stanford Life Insurance Company, Phoenix
Stop Loss Life Reinsurance Company, Phoenix
Success Life Insurance Company, (Ariz.) Austin, Texas
Sun States Life Insurance Company, Phoenix
Sunark Insurance Company, Scottsdale
Sundown Life Insurance Company, Phoenix
Superior Life Insurance Company, Phoenix
Susman Life Insurance Company, Phoenix
Sweeney National Life Insurance Company, Phoenix
Tecumseh Insurance Company, Phoenix
Tejas Life Insurance Company, Phoenix
Tempco Life Insurance Company, Phoenix
Tennessee Valley Life Insurance Company, Phoenix
Texas Key Life Insurance Company, Phoenix
Texas State Life Insurance Company, (Ariz.) Dallas, Texas
Texas Ten Life Insurance Company, (Ariz.) Austin, Texas
Texas West Life Insurance Company, (Ariz.) Austin, Texas
Texola Life Insurance Company, Phoenix
Time Life Insurance Company, (Ariz.) Dallas, Texas
Tom Benson Life Insurance Company, Phoenix
Totalre Reinsurance Company, Phoenix
Trans-City Life Insurance Company, Phoenix
Trans-Texas Life Insurance Company, Phoenix
Trans-World Insurance Company, Phoenix
TransAm Assurance Company, (Ariz.) Pensacola, Fla.

ARIZONA—Continued

Trust Life Insurance Company of America, Phoenix
Twin Life Insurance Company, Scottsdale
Unified Investors Life Insurance Company, (Ariz.) Lumberton, N.C.
UniLife Insurance Company, (Ariz.) San Antonio, Texas
Union Savings American Life Insurance Company, (Ariz.) El Paso, Texas
United Bankers Life Insurance Company, Phoenix
United Health and Life Insurance Company, (Ariz.) Oakbrook Terrace, Ill.
United Jersey Credit Life Insurance Company, Phoenix
United Life of North America, Clarksdale
United Missouri Insurance Company, Phoenix
United National Life Insurance Company, (Ariz.) Cherry Hill, N.J.
United Preferred Life Insurance Company, Phoenix
Universal Guaranty Life Insurance Company, Phoenix
V I P Insurance Company, Phoenix
Val Ford Life Insurance Company, Phoenix
Valley Life & Casualty Insurance Company, Phoenix
Value Life Insurance Company, Phoenix
Van-El Life Insurance Company, Phoenix
Vanderbilt Life Insurance Company, Phoenix
Vanguard Life Insurance Company, (Ariz.) Dallas, Texas
Vantage Life Insurance Company, (Ariz.) Miami, Fla.
Venture Life Insurance Company, Phoenix
Victoria Life Insurance Company, Phoenix
Victoria Savings Life Insurance Company, Phoenix
Voyager Reinsurance Company, Phoenix
WM Life Insurance Company, (Ariz.) Seattle, Wash.
Waterre Life Insurance Company, Phoenix
Wellington Life Insurance Company, Phoenix
Western Bankers Life Insurance Company, Scottsdale
Western Security Life Insurance Company, Phoenix
Western Travelers Life Insurance Company, Phoenix
Westhrift Life Insurance Company, Phoenix
Westward Life Insurance Company, Phoenix
Westwood Life Insurance Company, Phoenix
Wolverine Life Insurance Company, Phoenix
Woodstock Life Insurance Company, Phoenix
Workmen's Life Insurance Company, Phoenix
Yadkin Valley Life Insurance Company, Phoenix
Yankee Life Insurance Company, Phoenix
Yorktown Life Insurance Company, Phoenix
Zale Life Insurance Company, (Ariz.) Irving, Texas

ARKANSAS

American Pioneer Life Insurance Company, Truman
American Service Life Insurance Company, Ft. Smith
American Western Life Insurance Company, Little Rock
Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company, Little Rock
Arkansas National Life Insurance Company, Little Rock
Arkansas Security Insurance Company, Springdale
Consumers Protective Life Insurance Company, Little Rock
Delta Life and Annuity Company, (Ark.) Memphis, Tenn.
First Family Life Insurance Company, Little Rock
The First Pyramid Life Insurance Company of America, Little Rock
First Variable Life Insurance Company, Little Rock
Life Insurance Company of Arkansas, Little Rock
National Coaches Annuity Insurance Company, Little Rock
The National Investors Life Insurance Company, Little Rock
National Old Line Insurance Company, Little Rock
National Savings Life Insurance Company, Little Rock
Ozark National Life Insurance Company, Little Rock
Paramount Life Insurance Company, Little Rock
Port-O-Call Life Insurance Company, Pine Bluff
Providential Life Insurance Company, No. Little Rock
Signature Life Insurance Company of America, Little Rock
Union Life Insurance Company, Little Rock

CALIFORNIA

AMEX Life Assurance Company, San Rafael
Allegiance Life Insurance Company, (Cal.) Springfield, Ill.
American Centurion Life and Accident Assurance Company, San Rafael
American General Group Insurance Company of California, (Cal.) Dallas, Texas
American Pacific Life Insurance Company of California, (Cal.) Denver, Colo.
Anchor National Life Insurance Company, (Cal.) Atlanta, Ga.
Assured Investors Life Company, Los Angeles
Atlantic Fidelity Life Insurance Company, Tustin
BA Insurance Company, Inc., San Francisco
Balboa Life Insurance Company, Irvine
Beneficial Standard Life Insurance Company, Los Angeles
Best Life Assurance Company of California, Laguna Hills
CalFarm Life Insurance Company, Sacramento
California Benefit Life Insurance Company, Newport Beach
California Casualty & Life Insurance Co., San Mateo
California Pacific Life Insurance Company, Petaluma
California Physicians' Insurance Corporation, San Francisco
California-Western States Life Insurance Company, (Cal.) Houston, Texas
CareAmerica Life Insurance Company, Chatsworth
Certified Life Insurance Company, (Cal.) Chicago, Ill.
Chartered Protective Life Insurance Company, San Diego
Civil Service Employees Life Insurance Company, San Francisco
Coastal Insurance Company, Van Nuys
Commercial Bankers Life Insurance Company, Irvine
Crocker Life Insurance Company, Oakland
The Doctors' Life Insurance Company, Santa Monica
Executive Life Insurance Company, Los Angeles
FHP Life Insurance Company, Fountain Valley
First Capital Life Insurance Company, La Jolla
GW Life Insurance Company, Sherman Oaks
General Fidelity Life Insurance Company, San Diego
George Washington Life Insurance Company of California, San Jose
Golden State Mutual Life Insurance Company, Los Angeles
Great Republic Reinsurance Company, Santa Barbara
INA Life Insurance Company, (Cal.) Philadelphia, Pa.
Investors Guaranty Life Insurance Company, Los Angeles
John Adams Life Insurance Company of America, Los Angeles
National American Life Insurance Company of California, Lakewood
New Century Life Insurance Company, (Cal.) Nashville, Tenn.
PM Group Life Insurance Company, Newport Beach
Pacific Fidelity Life Insurance Company, Pasadena
Pacific Mutual Life Insurance Company, Newport Beach
Pacific Union Assurance Company, San Francisco
Paula Assurance Company, Los Angeles
Pierce National Life Insurance Company, Los Angeles
Sentinel Life Insurance Company, (Cal.) Portland, Ore.
Sierra Health and Life Insurance Company, Inc., Los Angeles
Sovereign Life Insurance Company of California, Santa Barbara
Teledyne Life Insurance Company, Chatsworth
Trans Pacific Life Insurance Company, Santa Monica
Trans World Assurance Company, San Mateo
Transamerica Insurance Corporation of California, Los Angeles
Transamerica Life Insurance and Annuity Company, Los Angeles
Transamerica Occidental Life Insurance Company, Los Angeles
West Coast Life Insurance Company, San Francisco
Western Family Life Insurance Company, Irvine
Western Pacific Life Insurance Company, Los Angeles
Western Universal Life Insurance Company, (Cal.) Topeka, Kan.
Westland Life Insurance Company, (Cal.) Dallas, Texas
Xerox Financial Life Insurance Company, (Cal.) Morristown, N.J.

COLORADO

Academy Life Insurance Company, (Colo.) Valley Forge, Pa.
American Woodmen's Life Insurance Company, Denver
Atlantic and Pacific Insurance Company, Denver
Bankers Reserve Life Insurance Company, Littleton
Bankers Union Life Insurance Company, Englewood
The Capitol Life Insurance Company, Denver
Colorado Bankers Life Insurance Company, Englewood
Continental Investors Life Insurance Company, Inc., Englewood
Cosmopolitan American Life Insurance Company, Denver
Costguard Insurance, Inc., Colorado Springs
The Equitable of Colorado, Inc., Colorado Springs
First Centennial Life Insurance Company, Fort Collins
First West Life Insurance Company, Denver
Health and Life Insurance Company of America, (Colo.) Rockford, Ill.
Howard Life Insurance Company, Lakewood
M Life Insurance Company, Denver
Mountain States Life Insurance Company of America, (Colo.) Albuquerque, N.M.
NNFU Life Insurance Company, (Colo.) Jacksonville, Fla.
National Farmers Union Life Insurance Company, (Colo.) Jacksonville, Fla.
National Western Life Insurance Company, (Colo.) Austin, Texas
Preferred Risk Life Insurance Company, (Colo.) West Des Moines, Iowa
Rocky Mountain Life Insurance Company, Denver
Security Life of Denver Insurance Company, Denver
Transamerica Assurance Company, Denver
Universal Security Assurance Life Insurance Company, (Colo.) Minneapolis, Minn.
Western Farm Bureau Life Insurance Company, Denver
Western Preferred Life Insurance Company, Denver
Western Reserve Life Insurance Company, Grand Junction
World Service Life Insurance Company, (Colo.) Fort Worth, Texas
World Service Life Insurance Company of Colorado, Denver

CONNECTICUT

Aetna Life Insurance and Annuity Company, Hartford
Aetna Life Insurance Company, Hartford
Aetna Life Insurance Company of America, Hartford
CIGNA Life Insurance Company, Bloomfield
C.M. Life Insurance Company, Hartford
CNA Assurance Company of Connecticut, (Conn.) Chicago, Ill.
Cologne Life Reinsurance Company, Stamford
Connecticut American Life Insurance Company, North Haven
Connecticut General Life Insurance Company, Bloomfield
Connecticut Mutual Life Insurance Company, Hartford
Connecticut Savings Bank Life Insurance System, Hartford
Dreyfus Consumer Life Insurance Company, Hartford
General Reassurance Corporation, Stamford
GroupAmerica Insurance Company, East Hartford
Hartford Life and Accident Insurance Company, Hartford
Hartford Life Insurance Company, Hartford
Hartford Variable Annuity Life Insurance Company, Hartford
Life Insurance Company of Connecticut, (Conn.) Brewster, N.Y.
Lincoln Security Life Insurance Company of Connecticut, Avon
Phoenix Mutual Life Insurance Company, Hartford
Royal Life Insurance Company of America, Glastonbury
Security-Connecticut Life Insurance Company, Avon
The Travelers Insurance Company, Hartford
The Travelers Life and Annuity Company, Hartford
The Travelers Life Insurance Company, Hartford

DELAWARE

AC Insurance Company, Wilmington
APIA Worldwide Life Insurance Company, Wilmington
Allnation Life Insurance Company, Wilmington
American Creditors Life Insurance Company, Dover
American General Life Insurance Company of Delaware, (Del.) Houston, Texas
American Life Insurance Company, Wilmington
Bankers Benefit Life Insurance Company, Wilmington
Banner Life Insurance Company of Delaware, (Del.) Rockville, Md.
CIGNA Worldwide Insurance Company, Wilmington
Central Penn Life Insurance Company, (Del.) Springfield, Ohio
Colonial Penn Annuity and Life Insurance Company, (Del.) Philadelphia, Pa.
Commercial Union Life Insurance Company of America, (Del.) Boston, Mass.
Consumers Life Insurance Company, (Del.) Camp Hill, Pa.
Consumers United Insurance Company, (Del.) Washington, D.C.
Continental American Life Insurance Company, Newark
Continental Internacional Life Insurance Company, (Del.) New York, N.Y.
Continental National Life Insurance Company, (Del.) New York, N.Y.
Delaware American Life Insurance Company, Wilmington
Eastern States Life Insurance Company, Wilmington
Fidelity Standard Life Insurance Company, (Del.) Los Angeles, Cal.
First Delaware Life Insurance Company, Wilmington
First Stratford Life Insurance Company, (Del.) Los Angeles, Cal.
GEICO Annuity and Insurance Company, (Del.) Washington, D.C.
Globe Life and Accident Insurance Company, (Del.) Oklahoma City, Okla.
The Guardian Insurance & Annuity Company, Inc., (Del.) New York, N.Y.
IdeaLife Insurance Company, (Del.) Stamford, Conn.
Inter-America Insurance Company, (Del.) Chicago, Ill.
Interstate Service Insurance Company, (Del.) Columbus, Ohio
Investors Insurance Corporation, Wilmington
Keystone Massachusetts Life Insurance Company, (Del.) Boston, Mass.
Lake Life Insurance Company, Wilmington
MIC Life Insurance Corporation, (Del.) Detroit, Mich.
MML Life Insurance Company, (Del.) Springfield, Mass.
MML Pension Insurance Company, (Del.) Springfield, Mass.
Mellon Life Insurance Company, (Del.) Oak Brook Terrace, Ill.
The Mercantile and General Life Reassurance Company of America, (Del.) Toronto, Ontario, Can.
Merchants Life Insurance Company, Inc., Wilmington
Metropolitan Insurance and Annuity Company, (Del.) New York, N.Y.
Metropolitan Tower Life Insurance Company, (Del.) New York, N.Y.
The Motor Life Insurance Company, (Del.) Jacksonville, Fla.
Munich Atlantis Reassurance Company, (Del.) Atlanta, Ga.
NRG America Life Reassurance Company, Wilmington
National Foundation Life Insurance Company, (Del.) Fort Worth, Texas
National Heritage Life Insurance Company, (Del.) Maitland, Fla.
New England General Life Insurance Company, (Del.) Boston, Mass.
New England Pension and Annuity Company, (Del.) Burlington, Mass.
New England Variable Life Insurance Company, (Del.) Boston, Mass.
New York Life and Health Insurance Company, (Del.) New York, N.Y.
New York Life Insurance and Annuity Corporation, (Del.) New York, N.Y.
North American Security Life Insurance Company, (Del.) Boston, Mass.
Orion Life Insurance Company, Wilmington
The Paul Revere Protective Life Insurance Company, (Del.) Worcester, Mass.
The Penn Insurance and Annuity Company, Wilmington
Phoenix American Life Insurance Company, (Del.) Hartford, Conn.
Piedmont American Life Insurance Company, Wilmington
Pilgrim Life Insurance Company of America, Wilmington
Principal National Life Insurance Company, (Del.) Des Moines, Iowa
Public Fidelity Life Insurance Company, (Del.) Baia Cynwyd, Pa.
Reassurance Corporation of Delaware, (Del.) Stamford, Conn.
SMA Life Assurance Company, (Del.) Worcester, Mass.
Security First Life Insurance Company, (Del.) Los Angeles, Cal.
Southern Life and Health Insurance Company, Dover
Stamford Life Insurance Company, (Del.) Stamford, Conn.
Sun Life Assurance Company of Canada (U.S.), (Del.) Wellesley Hills, Mass.
Swiss-Am Reassurance Company, (Del.) New York, New York
Union Security Life Insurance Company, Wilmington
United American Insurance Company, (Del.) Dallas, Texas
Western Hemisphere Life Insurance Company, Wilmington

DISTRICT OF COLUMBIA

AAA Life Insurance Company, Washington
Acacia Mutual Life Insurance Company, Washington
American Capital Life Insurance Company, Washington
American Citizens Life Insurance Corporation, Washington
General Services Life Insurance Company, (D.C.) Cedar Rapids, Iowa
Mutual Life Insurance Company of Washington, D. C., Washington

FLORIDA

American Bankers Life Assurance Company of Florida, Miami
American Fidelity Life Insurance Company, Pensacola
American Financial Life Insurance Company, North Palm Beach
American General Group Insurance Company of Florida, Jacksonville
American Heritage Life Insurance Company, Jacksonville
American Pioneer Life Insurance Company, Orlando
American Prosectors Life Insurance Company, Miami
American Security Life Assurance Company of Florida, Jacksonville
American Sun Life Insurance Company, Orlando
Atlanec General Life Insurance Company, Jacksonville
Bankers Life Insurance Company of Florida, St. Petersburg
Benicorp Insurance Company, (Fla.) Indianapolis, Ind.
Best Meridian Insurance Company, Coral Gables
Capital Investors Life Insurance Company, Tampa
Central Life Insurance Company of Florida, Tampa
Conger Life Insurance Company, Miami
Dependable Life Insurance Company, Jacksonville
Financial Benefit Life Insurance Company, Boca Raton
Florida Life Insurance Company, Miami
Great Atlantic Life Insurance Company, West Palm Beach
Great Florida Life Insurance Company, Miami
Guarantee Security Life Insurance Company, Jacksonville
Gulf Life Insurance Company, Jacksonville
Home Life Financial Assurance Corporation, Largo
Hudson Life Reassurance Company, Sarasota
Humana Health Insurance Company of Florida, Inc., Jacksonville
The Independent Life and Accident Insurance Company, Jacksonville
JMIC Life Insurance Company, Palm Beach
KAMM Life Insurance Company, Coral Gables
L A Life Insurance Company, Miami
National Standard Life Insurance Company, Orlando
Nurses Guaranteed Retirement Life Insurance Company, Pensacola
Orange State Life and Health Insurance Company, Largo
PHF Life Insurance Company, Orlando
Professional Insurance Corporation, Jacksonville
Regency Life Insurance Company, Hallandale
Southeast Life Insurance Company of Florida, (Fla.) Melrose Park, Ill.
Southern General Life Insurance Company, Miami
Southern Protective Life Insurance Company, Jacksonville
Southern Security Life Insurance Company, Maitland
Sterling Investors Life Insurance Company, St. Petersburg
Voyager Life Insurance Company, Jacksonville

GEORGIA

A. L. Williams Life Insurance Company, Duluth
American Family Laws Life Assurance Company, Columbus
American Family Life Assurance Company of Columbus, Columbus
Atlanta Life Insurance Company, Atlanta
Atlantic American Life Insurance Company, Atlanta
Atlantic & Pacific Life Insurance Company of America, Atlanta
Bankers Fidelity Life Insurance Company, Atlanta
Capitol National Life Insurance Company, (Ga.) Cleveland, Ohio
Cherokee National Life Insurance Company, Macon
The Citizens and Southern Life Insurance Company, Tucker
Coastal States Life Insurance Company, Atlanta
Confederation Life Insurance and Annuity Company, Marietta
Cotton States Life and Health Insurance Company, Atlanta
Delta Life Insurance Company, Atlanta
Equity National Life Insurance Company, (Ga.) Little Rock, Ark.
First National Life Insurance Company of America, (Ga.) Birmingham, Ala.
Georgia International Life Insurance Company, Atlanta
Georgia Life and Health Insurance Company, College Park
Greater Georgia Life Insurance Company, Atlanta
Kennesaw Life and Accident Insurance Company, Atlanta
Life Insurance Company of Georgia, Atlanta
Life of the South Insurance Company, Nashville
Munich American Reassurance Company, Atlanta
The Pilgrim Health and Life Insurance Company, Augusta
Provident Security Life Insurance Company, Atlanta
Security Trust Life Insurance Company, Macon
Southern Educators Life Insurance Company, Norcross
State Mutual Insurance Company, Rome
Sunbelt Life Insurance Company, Atlanta
United Family Life Insurance Company, Atlanta
United Teacher Associates Insurance Company, Cumming
Voyager Life & Health Insurance Company, Folkston

HAWAII

Grand Pacific Life Insurance Company, Limited, Honolulu
Hawaiian Life Insurance Co., Ltd., Honolulu
Investors Equity Life Insurance Company of Hawaii, Ltd., Honolulu
Pacific Guardian Life Insurance Company, Ltd., Honolulu
Pacific Insurance Company, Ltd., Honolulu
Royal State National Insurance Company, Ltd. Honolulu

IDAHO

Continental Life & Accident Company, (Idaho) Miami, Fla.
Gem State Mutual Life Insurance Company, Pocatello
Grange Mutual Life Company, Nampa
Sierra Life Insurance Company, Twin Falls

ILLINOIS

Abraham Lincoln Insurance Company, Springfield
Aetna Life Insurance Company of Illinois, Downers Grove
All American Life Insurance Company, Chicago
Allstate Life Insurance Company, Northbrook
Amalgamated Labor Life Insurance Company, (Ill.) Kansas City, Mo.
Amalgamated Life and Health Insurance Company, Chicago
The American Franklin Life Insurance Company, Springfield
American Mid States Life Insurance Company, Oak Brook Terrace
American Union Life Insurance Company, Bloomington
Apollo National Life Insurance Company, Lake Bluff
Associated Life Insurance Company, Des Plaines
BCS Life Insurance Company, Chicago
Bankers Life and Casualty Company, Chicago
Bankers Mutual Life Insurance Company, Freeport
Benefit Trust Life Insurance Company (A Mutual Legal Reserve Company), Chicago
CNA Life and Annuity Company, Chicago
Central Investors Life Insurance Company of Illinois, Peoria
Chicago Metropolitan Mutual Assurance Company, Chicago

ILLINOIS—Continued

Combined Insurance Company of America, Chicago
Constitutnon Life Insurance Company, Chicago
Continental Assurance Company, Chicago
Country Investors Life Assurance Company, Bloomington
Country Life Insurance Company, Bloomington
Delta Service Plans Insurance Company, (Ill.) San Francisco, Cal.
Employees Life Company (Mutual), Lake Bluff
Executive National Life Insurance Company, Springfield
Family Protection Life Insurance Company, Willowbrook
Federal Kemper Life Assurance Company, Long Grove
Federal Life Insurance Company (Mutual), Riverwoods
Fidelity Life Association, A Mutual Legal Reserve Company, Long Grove
Financial Security Life Insurance Company, (Ill.) Lincoln, Neb.
Florists' Life Insurance Company, Edwardsville
Fort Dearborn Life Insurance Company, Chicago
The Franklin Life Insurance Company, Springfield
Globe Life Insurance Company, Chicago
Golden Rule Insurance Company, Lawrenceville
Guarantee Trust Life Insurance Company, Glenview
Health Care Service Corporation, A Mutual Legal Reserve Company, Chicago
Home Owners Life Insurance Company, Chicago
Horace Mann Life Insurance Company, Springfield
Illinois Mutual Life and Casualty Company, Peoria
Industrial Casualty Insurance Company A Mutual Legal Reserve Company, Oak Park
InterAmerica Consolidated Mutual Assurance Company, LaGrange
Inter-American Insurance Company of Illinois, Chicago
International Financial Services Life Insurance Company, (Ill.) North Palm Beach, Fla.
Interstate Life Assurance Company, Riverwoods
John Deere Life Insurance Company, Jacksonville
Kemper Investors Life Insurance Company, Chicago
Life Assurance Company of America, Oak Brook
Life Insurance Company of Illinois, Riverwoods
Life Savings Assurance Company of America, Park Ridge
Lincoln Heritage Life Insurance Company, (Ill.) Peoria, Ariz.
Marquette National Life Insurance Company, Chicago
Metropolitan Life Insurance Company of Illinois, (Ill.) New York, N.Y.
Montgomery Ward Life Insurance Company, Schaumburg
The Municipal Insurance Company of America, Elgin
Mutual Life Insurance Company of Local #134 I.B.E.W., Chicago
Mutual Trust Life Insurance Company, Oak Brook
National Group Life Insurance Company, Chicago
North American Company for Life and Health Insurance, Chicago
Northbrook Life Insurance Company, Northbrook
Old Republic Life Insurance Company, Chicago
Patriot Life Insurance Company, Chicago
Pekin Life Insurance Company, Pekin
Pioneer Life Insurance Company of Illinois, Rockford
Professional Life & Casualty Company, Chicago
Pruco Life Insurance Company of Illinois, Chicago
Quinet Life & Casualty Insurance Company, (Ill.) Indianapolis, Ind.
Reliance Standard Life Insurance Company, (Ill.) Philadelphia, Pa.
Rockford Life Insurance Company, Rockford
Roosevelt National Life Insurance Company of America, Springfield
The Signature Life Insurance Company of America, Schaumburg
The Standard of America Life Insurance Company, Park Ridge
State Farm Annuity and Life Insurance Company, Bloomington
State Farm Life and Accident Assurance Company, Bloomington
State Farm Life Insurance Company, Bloomington
Supreme Life Insurance Company of America, Chicago
Tandem Insurance Group, Inc., Chicago
Tower Life and Accident Insurance Company, (Ill.) Indianapolis, Ind.
Transamerica Occidental Life Insurance Company of Illinois, Chicago
The Travelers Insurance Company of Illinois, (Ill.) Hartford, Conn.
USLIFE Credit Life Insurance Company, Schaumburg
United Equitable Life Insurance Company, Lincolnwood
United Insurance Company of America, Chicago
United National Life Insurance Company of America, Springfield
United Security Life Insurance Company of Illinois, Oak Brook
United Trust Assurance Company, Springfield
United World Life Insurance Company, (Ill.) Omaha, Neb.
Veterans Life Insurance Company, Springfield
Washington National Insurance Company, Evanston
Western Diversified Life Insurance Company, Northbrook
Zurich American Life Insurance Company, Schaumburg

INDIANA

AFSC Insurance Company, Inc., (Ind.) Irving, Texas
All Savers Insurance Company, Indianapolis
American Enterprise Life Insurance Company, (Ind.) Minneapolis, Minn.
American Income Life Insurance Company, (Ind.) Waco, Texas
American States Life Insurance Company, Indianapolis
American United Life Insurance Company, Indianapolis
Associates Life Insurance Co., Indianapolis
Central Benefits National Life Insurance Company, (Ind.) Columbus, Ohio
The College Life Insurance Company of America, Indianapolis
Columbia General Life Insurance Company, (Ind.) Laguna Hills, Cal.
Commercial Bankers Life Insurance Company of Indiana, Fort Wayne
Concord National Life Insurance Company, Munster
Consolidated National Life Insurance Company, (Ind.) Lake Charles, La.
Federal Home Life Insurance Company, (Ind.) Orlando, Fla.
Fleetmart Standard Life Insurance Company, Indianapolis
Forethought Life Insurance Company, Batesville
Geneva Life Insurance Company, Indianapolis
Great Fidelity Life Insurance Company, Fort Wayne
Guarantee Reserve Life Insurance Company, Hammond
Indiana Southern Life Insurance Company, Indianapolis
Indianapolis Life Insurance Company, Indianapolis
Indianapolis Life Pension and Insurance Company, Indianapolis
Inter-Ocean Insurance Company, (Ind.) Fairfield, Ohio
Investors Trust Assurance Company, (Ind.) Springfield, Ill.
Jefferson National Life Insurance Company, Indianapolis
Kennedy National Life Insurance Company of America, Fort Wayne
Key Life Insurance Company, Indianapolis
The Lafayette Life Insurance Company, Lafayette
Laymen National Life Insurance Company, Indianapolis
Life of Indiana Insurance Company, Indianapolis
Lincoln National Health Care Insurance Company, Fort Wayne
The Lincoln National Life Insurance Company, Fort Wayne
Lincoln National Life Reinsurance Company, Fort Wayne
Lincoln National Pension Insurance Company, Fort Wayne
Lumbermens Life Insurance Company, Indianapolis
Mayflower National Life Insurance Company, (Ind.) Dallas, Texas
Meridian Life Insurance Company, Indianapolis
Merit Life Insurance Co., Evansville
Midwest Security Life Insurance Company, Indianapolis
Midwestern United Life Insurance Company, Fort Wayne
Mutual Security Life Insurance Company, Fort Wayne
Nathan Hale Life Insurance Company, Indianapolis
National Equity Life Insurance Company, Inc., Indianapolis
National Home Life and Accident Insurance Company, Indianapolis
National Term Life Insurance Company, Zionsville
S & H Life Insurance Company, Indianapolis
Sharenet Insurance, Incorporated, Goshen
Somerset Life Insurance Company, Indianapolis
The State Life Insurance Company, Indianapolis
UFB Insurance Company, Indianapolis
Underwriters National Assurance Company, (Ind.) Phoenix, Ariz.
United Farm Bureau Family Life Insurance Company, Indianapolis
United Home Life Insurance Company, Greenfield
United Presidential Life Insurance Company, Kokomo
University Life Insurance Company of America, Indianapolis
Wabash Life Insurance Company, Indianapolis
William Penn Life Assurance Company of America, Indianapolis

IOWA

ALLIED Life Insurance Company, Des Moines
American Farmers Mutual Life Insurance Company, Urbandale
American Mutual Life Insurance Company, Des Moines
American Republic Insurance Company, Des Moines
American Travelers Assurance Company, Des Moines
American Vanguard Life Insurance Company, Des Moines
Bankers United Life Assurance Company, Cedar Rapids
Central Life Assurance Company, Des Moines
Central United Life Insurance Company, Sioux City
Century Life of America, Waverly
Century Life Insurance Company, Waverly
Continental Western Life Insurance Company, West Des Moines
Employers Modern Life Company, Des Moines
Equitable Life Insurance Company of Iowa, Des Moines
FBL Insurance Company, West Des Moines
Farm Bureau Life Insurance Company, West Des Moines
Farmland Life Insurance Company, Des Moines
Grinnell Mutual Life Insurance Company, Grinnell
Hawkeye Life Insurance Group, Inc., Des Moines
Hawkeye National Life Insurance Company, West Des Moines
Homesteaders Life Company, Des Moines
Integrated Resources Life Insurance Company, West Des Moines
Inter-State Assurance Company, Des Moines
Iowa Life Assurance Company, Des Moines
Life Investors Insurance Company of America, Cedar Rapids
Life of Mid-America Insurance Company, (Iowa) Minnetonka, Minn.
NN Investors Life Insurance Company, Inc., Cedar Rapids
National Travelers Life Company, Des Moines
The Pharmacists Life Insurance Company, Algona
Principal Life Insurance Company, Des Moines
Principal Mutual Life Insurance Company, Des Moines
Statesman Life Insurance Company, Des Moines
United Life Insurance Company, Cedar Rapids
Webster Life Insurance Company, Spirit Lake

KANSAS

Alliance Life Insurance Company, Wichita
The Americano Home Life Insurance Company, Topeka
American Investors Life Insurance Company, Inc., Topeka
The Centennial Life Insurance Company, Merriam
Cimarron Life Insurance Company, Prairie Village
Community National Assurance Company, (Kan.) Worthington, Ohio
Employers Reassurance Corporation, Overland Park
The Great American Life Insurance Company, Hutchinson
Great-West Life & Annuity Insurance Company, (Kan.) Englewood, Colo.
Home State Life Insurance Company, Inc., Wichita
Kansas Farm Bureau Life Insurance Company, Inc., Manhattan
Kansas Group Life Insurance Company, Topeka
The Manhattan Mutual Life Insurance Company, Manhattan
National Life Insurance Company of Kansas, Topeka
Pioneer National Life Insurance Company, Topeka
The Pyramid Life Insurance Company, Shawnee Mission
Security Benefit Life Insurance Company, Topeka
Standard Mutual Life Insurance Company, Lawrence
The Victory Life Insurance Company, Topeka

KENTUCKY

American Life and Accident Insurance Company of Kentucky, Louisville
Bradford National Life Insurance Company, Lexington
Citizens Security Life Insurance Company, Frankfort
Commonwealth Life Insurance Company, Louisville
Crown America Life Insurance Company, (Ky.) Toronto, Can.
Investors Heritage Life Insurance Company, Frankfort
Kentucky Central Life Insurance Company, Lexington
Kentucky Home Mutual Life Insurance Company, Louisville
LNB Life Insurance Company, Louisville
Lifetime Security Life Insurance Company, Louisville
Lincoln Income Life Insurance Company, Louisville
Mammoth Life and Accident Insurance Company, Louisville
Old South Life Insurance Company, Louisville
Western Pioneer Life Insurance Company, (Ky.) Englewood, Colo.

LOUISIANA

American Hemlock Insurance Company, Metairie
American Liberty Life Insurance Company, Baton Rouge
American Savings Life Insurance Company, Shreveport
Assumpcon Life Insurance Company, Thibodaux
Bankers Life of Louisiana, Ruston
Benevolent Life Insurance Company Inc., Shreveport
Central American Life Insurance Company, Inc., West Monroe
Central State Life Insurance Company, Alexandria
Colonial American Life Insurance Company, New Orleans
Consolidated Bankers Life Insurance Company of Louisiana, Shreveport
Delta National Life Insurance Company, Baton Rouge
Desselle Life Insurance Company Inc., Baton Rouge
Dixie Life Insurance Company Inc., Bogalusa
Estate Assurance Company, Metairie
Evangeline Life Insurance Company Inc., New Iberia
Family Financial Life Insurance Company, New Orleans
Fidelity Federal Life Insurance Company, Inc., Gonzales
Fidelity Life Insurance Company, Metairie
Financial Fidelity Life Insurance Company, Shreveport
Financial Security Life of Louisiana, Shreveport
Fireside Commercial Life Insurance Company, Shreveport
First Assurance Life of America, Baton Rouge
First Capital Life Insurance Company of Louisiana, New Orleans
First Columbia Life Insurance Company, Baton Rouge
First Financial Life Insurance Company, New Orleans
Galaxia Life Insurance Company, Bossier City
Gertrude Geddes Willis Life Insurance Company, New Orleans
Goudchaux/Maison Blanche Life Insurance Company, Baton Rouge
Great Central Life Insurance Company, Oakdale
Guaranty Income Life Insurance Company, Baton Rouge
Gulf States Life Insurance Company, Inc., Bossier City
Gulfco Life Insurance Company, Marksville
Independence Life Insurance Company, Monroe
International Reinsurance Company, New Orleans
Investors Diversified Insurance Corporation, Baton Rouge
J. S. Williams Life Insurance Company, Shreveport
Kilpatrick Life Insurance Company of Louisiana, Shreveport
Lafourche Life Insurance Company, Raceland
League Services Life Insurance Company, New Orleans
Lee National Life Insurance Company of Louisiana, Shreveport
Liberty Heritage Life Insurance Company, New Orleans
Life General Security Insurance Company, Metairie
Life Insurance Company of Louisiana, Shreveport
Life Insurance Company of the South, Covington
Lighthouse Life Insurance Company Inc., Shreveport
Louisiana Life Insurance Company, (La.) Clearwater, Fla.
Louisiana National Life Insurance Company, (La.) Decatur, Ala.
Louisiana Security Insurance Company, Baton Rouge
Magnolia Life Insurance Company, Lake Charles
Majestic Life Insurance Company, New Orleans
Melancon Life Insurance Company, Carencro
MetLife Security Insurance Company of Louisiana, (La.) East Hanover, N.J.
Mulhearn Protective Insurance Company, Inc., Monroe
National Affiliated Investors Life Insurance Company, Alexandria
National Alliance Life Insurance Company, Bossier City
National American Life Insurance Company, (La.) Englewood, Colo.
National Republic Life Insurance Company, Shreveport
National Service Industrial Life Insurance Company, New Orleans
North Louisiana Industrial Corp., Inc., Bastrop
Old South Life Insurance Company, Jonesboro
Pan-American Assurance Company, New Orleans
Pan-American Life Insurance Company, New Orleans
Paramount Security Life Insurance Company, Shreveport
Pelican State Life Insurance Company, Jonesboro
Pellerin Life Insurance Company Inc., Breaux Bridge
Performance Life of America, Baton Rouge
Premiere Life Insurance Company, Shreveport
Public Investors Life Insurance Company, Alexandria
Purple Shield Life Insurance Company, Baton Rouge
Rabenhorst Life Insurance Company, Baton Rouge
Reliable Life Insurance Company, Monroe
The Reliable Life Insurance Company of Missouri, Baton Rouge
Rhodes Life Insurance Company of Louisiana Inc., New Orleans
Rockett Life Insurance Company, Ringold
Sabine Life Insurance Company, Many
The Safety Industrial Life & Sick Benefit Association, Inc., New Orleans
Savings Life Insurance Company, Shreveport
Security Industrial Insurance Company, Donaldsonville
Southeastern States Life Insurance Company, New Orleans
Southern Bankers Life Insurance Company, Shreveport
Southern Financial Life Insurance Company, (La.) Clearwater, Fla.
Southern Heritage Life Insurance Company, (La.) Jackson, Miss.
Standard Benevolent & Burial Association, Hammond
State National Life Insurance Company, Baton Rouge
Sunbelt Life Insurance Company, Metairie
Superior Life Insurance Company, Ruston
Trans-World Life Insurance Company, Shreveport
Union National Life Insurance Company, Baton Rouge
United Companies Life Insurance Company, Baton Rouge
Washington Life Insurance Company of America, Lafayette
Western Fidelity Insurance Company, (La.) Fort Worth, Texas
Western Liberty Life Insurance Company, (La.) Fort Worth, Texas
Wilbert Life Insurance Company, Plaquemine
Williams-Progressive Life and Accident Insurance Company, Opelousas
Winnfield Life Insurance Company, Natchitoches
Young American Life Insurance Company, Ferriday
Zachary Taylor Life Insurance Company, Shreveport

MAINE

Maine Fidelity Life Insurance Company, (Me.) Keene, N.H.
Maine National Life Insurance Company, Portland
UNUM Life Insurance Company, Portland
UNUM Life Insurance Company of America, Portland
UNUM Pension and Insurance Company, Portland

MARYLAND

American Health and Life Insurance Company, Baltimore
Annapolis Life Insurance Company, (Md.) Jenkintown, Pa.
The Baltimore Life Insurance Company, Baltimore
Banner Life Insurance Company, Rockville
The Chesapeake Life Insurance Company, (Md.) Phoenix, Ariz.
Fidelity and Guaranty Life Insurance Company, Baltimore
The Home Mutual Life Insurance Company, Baltimore
Life of Maryland, Inc., Baltimore
Monumental General Insurance Company, Baltimore
Monumental Life Insurance Company, Baltimore
Monumental Life Insurance Group, Inc., Baltimore
Sun Life Insurance Company of America, (Md.) Atlanta, Ga.
Trans-General Life Insurance Company, Chevy Chase
The Union Labor Life Insurance Company, (Md.) Washington, D.C.

MASSACHUSETTS

Berkshire Life Insurance Company, Pittsfield
Boston Mutual Life Insurance Company, Canton
First International Life Insurance Company, Danvers
John Hancock Mutual Life Insurance Company, Boston
John Hancock Variable Life Insurance Company, Boston
Liberty Life Assurance Company of Boston, Boston
Life of Boston Insurance Company, Malden
Massachusetts General Life Insurance Company, (Mass.) Englewood, Colo.
Massachusetts Indemnity and Life Insurance Company, (Mass.) Duluth, Ga.
Massachusetts Mutual Life Insurance Company, Springfield
Monarch Life Insurance Company, Springfield
New England Mutual Life Insurance Company, Boston
The Paul Revere Life Insurance Company, Worcester
The Paul Revere Variable Annuity Insurance Company, Worcester
Sentry Investors Life Insurance Company, Concord
State Mutual Life Assurance Company of America, Worcester

MICHIGAN

Alexander Hamilton Life Insurance Company of America, Farmington Hills
American Annuity Life Insurance Company, Grand Rapids
American Community Mutual Insurance Company, Livonia
American Way Life Insurance Company, Southfield
Ameriserve Life Insurance Company, Detroit
Auto Club Life Insurance Company, Dearborn
Auto-Owners Life Insurance Company, Lansing
Cadillac Life Insurance Company, Farmington
Chrysler Life Insurance Company, Troy
FB Annuity Company, Lansing
Farm Bureau Life Insurance Company of Michigan, Lansing
Financial Investors Life Insurance Company, Livonia
Ford Life Insurance Company, Dearborn
Foremost Life Insurance Company, Grand Rapids
Hamilton National Life Insurance Company, Farmington Hills
Jackson National Life Insurance Company, Lansing
League Life Insurance Company, Southfield
Loyalty Life Insurance Company, (Mich.) Piscataway, N.J.
Maccabees Life and Annuity Company, Southfield
Maccabees Mutual Life Insurance Company, Southfield
The Manufacturers Life Insurance Company of Michigan, Bloomfield Hills
Mid-America Life Assurance Company, Grand Rapids
Mutual of Detroit Insurance Company, Plymouth
National Retirement Insurance Company, Madison Heights
Vista Life Insurance Company, Dearborn
Wright Mutual Insurance Company, Detroit

MINNESOTA

Adjustable Life Insurance Company, St. Paul
American Merchants Life Insurance Company, Minneapolis
American Trustee Life Company of Minnesota, Bloomington
Capitol Bankers Life Insurance Company, (Minn.) Milwaukee, Wisc.
Early American Life Insurance Company, Eagan
Federated Life Insurance Company, Owatonna
Financial Assurance Incorporated, (Minn.) Kansas City, Mo.
Golden American Life Insurance Company, (Minn.) New York, N.Y.
IDS Life Insurance Company, Minneapolis

MINNESOTA—Continued

John Alden Life Insurance Company, (Minn.) Miami, Fla.
Lutheran Brotherhood Variable Insurance Products Company, Minneapolis
MidAmerica Mutual Life Insurance Company, Roseville
Ministers Life - A Mutual Life Insurance Company, Minneapolis
The Minnesota Mutual Life Insurance Company, St. Paul
Minnesota Protective Life Insurance Company, Eden Prairie
Mutual Service Life Insurance Company, Arden Hills
NWNL Life Assurance Company, Minneapolis
North American Life and Casualty Company, Minneapolis
North Central Life Insurance Company, St. Paul
Northwestern National Life Insurance Company, Minneapolis
Omaha Financial Life Insurance Company, Minneapolis
Security Life Insurance Company of America, Minneapolis
State Bond and Mortgage Life Insurance Company, New Ulm
Trustmark Life Insurance Company, (Minn.) Chicago, Ill.
Western Life Insurance Company, Woodbury

MISSISSIPPI

American Funeral Assurance Company, Amory
American Public Life Insurance Company, Jackson
The Andrew Jackson Life Insurance Company, Jackson
Capitol Mutual Insurance Company, Jackson
Central Life Insurance Company, Jackson
Century Credit Life Insurance Company, Tupelo
Commonwealth National Life Insurance Company, Cleveland
Dixie National Life Insurance Company, Jackson
Fidelity Life Insurance Company, Jackson
Financial Security Life of Mississippi, Meridian
Freedom Life Insurance Company of America, Jackson
Gulf Guaranty Life Insurance Company, Jackson
Gulf National Life Insurance Company, Biloxi
L — Life Insurance Company, Meridian
Lamar Life Insurance Company, Jackson
Life Insurance Company of Mississippi, Jackson
MS Life Insurance Company, Jackson
Mississippi American Life Insurance Company, Jackson
Mississippi Insurance Company, Biloxi
National General Insurance Company, Jackson
Old Colony Life Insurance Company, Jackson
Protective Service Life Insurance Company, Jackson
Southern Farm Bureau Annuity Insurance Company, Jackson
Southern Farm Bureau Life Insurance Company, Jackson
Southern Farm Bureau Universal Life Insurance Company, Jackson
Standard Life Insurance Company, Jackson
State Security Life Insurance Company, Jackson

MISSOURI

AGC Life Insurance Company, (Mo.) Nashville, Tenn.
A. G. Edwards Life Insurance Company, St. Louis
American Continental Life Insurance Company, Kansas City
American Independence Life Insurance Company, (Mo.) Monroe, La.
American Life and Health Insurance Company, Jefferson City
Boatmen's Life Insurance Company, St. Louis
Business Men's Assurance Company of America, Kansas City
Central Reserve Life Insurance Company, Jefferson City
Centurion Life Insurance Company, (Mo.) Des Moines, Iowa
Charter National Life Insurance Company, St. Louis
Chase National Life Insurance Company, (Mo.) Englewood, Colo.
Commonwealth Life & Accident Insurance Company, (Mo.) League City, Texas
Continental Security Life Insurance Company, Jefferson City
Family Benefit Life Insurance Company, Jefferson City
Farm Bureau Life Insurance Company of Missouri, Jefferson City
Fidelity Security Life Insurance Company, Kansas City
First Equity Life Insurance Company of Missouri, Jefferson City
Frankona America Life Reassurance Company, Kansas City
Frontier Insurance Company, Jefferson City
General American Life and Annuity Company, St. Louis
General American Life Insurance Company, St. Louis
Humana Insurance Company, (Mo.) Louisville, Ky.
ITT Lyndon Life Insurance Company, St. Louis
Individual Assurance Company, Life, Health and Accident, Kansas City
Kansas City Life Insurance Company, Kansas City
Kansas City Variable Life Company, Kansas City
Lewer Life Insurance Company, Kansas City
MML Bay State Life Insurance Company, (Mo.) Springfield, Mass.
Manicare Life and Health Insurance Company, St. Ann
Missouri National Life Insurance Company, Kansas City
Modern American Life Insurance Company, (Mo.) Englewood, Colo.
Modern Income Life Insurance Company, (Mo.) Phoenix, Ariz.
National Fidelity Life Insurance Company, (Mo.) Dallas, Texas
National Home Life Assurance Company, Jefferson City
National States Insurance Company, Creve Coeur
New American Life Insurance Company, Columbia
Old American Insurance Company, Kansas City
Old Reliable Life Insurance Company, Webster Groves
Old Western Life Insurance Company, Columbus
Ozark National Life Insurance Company, Kansas City
Paragon Life Insurance Company, St. Louis
Penn Diversified Insurance and Annuity Company, St. Louis
The Reliable Life Insurance Company, Webster Groves
Savers Life Insurance Company of America, (Mo.) Overland Park, Kan.
Shelter Life Insurance Company, Columbia
United Investors Life Insurance Company, (Mo.) Birmingham, Ala.
Universal Underwriters Life Insurance Company, (Mo.) Overland Park, Kan.
Xerox Financial Services Life Insurance Company, (Mo.) Morristown, N.J.

MONTANA

Great Western Life Insurance Company, (Mont.) Rapid City, S.D.
Life of Montana Insurance Company, Bozeman

NEBRASKA

American Trustee Life Company of Nebraska, Lincoln
Amoco Life Insurance Company, Omaha
Bankers Life Assurance Company of Nebraska, Lincoln
Bankers Life Insurance Company of Nebraska, Lincoln
The Central National Life Insurance Company of Omaha, (Neb.) Peapack, N.J.
Central States Health & Life Co. of Omaha, Omaha
Combined American Life Insurance Company, (Neb.) Chicago, Ill.
Continental General Insurance Company, Omaha
Empire Life Insurance Company, (Neb.) Seattle, Wash.
Executive Fund Life Insurance Company, Lincoln
First National Life Insurance Company of the U.S.A., Lincoln
Guarantee American Life Company, Omaha
Guarantee Mutual Life Company, Omaha
Legacy Life Insurance Company, (Neb.) Phoenix, Ariz.
Liberty American Assurance Company, Lincoln
Lincoln Benefit Life Company, Lincoln
Lincoln Liberty Life Insurance Company, Omaha
Lincoln Life and Casualty Company, Lincoln
Lincoln Mutual Life Insurance Company, Lincoln
Medico Life Insurance Company, Omaha
The Midwest Life Insurance Company, (Neb.) Wichita, Kan.
Mutual of Omaha Insurance Company, Omaha
Omaha Life Insurance Company, (Neb.) Bannockburn, Ill.
Pathmark Assurance Company, Lincoln
Physicians Life Insurance Company, Omaha
Physicians Mutual Insurance Company, Omaha
The Security Mutual Life Insurance Company, Lincoln
United of Omaha Life Insurance Company, Omaha
Universal Assurors Life Insurance Company, Omaha
Woodmen Accident and Life Company, Lincoln
World Insurance Company, Omaha

NEVADA

Associates Financial Life Insurance Company of Nevada, Reno
Humana Health Insurance of Nevada, Inc. (Nev.) Louisville, Ky.
Sierra General Life Insurance Company, Reno
The Universe Life Insurance Company, Carson City

NEW HAMPSHIRE

Christian Mutual Life Insurance Company, Concord
Chubb Life Insurance Company of America, Concord
Concord General Life Insurance Company, Inc., Concord
United Life and Accident Insurance Company, Concord

NEW JERSEY

The Colonial Life Insurance Company of America, Parsippany
Connecticut National Life Insurance Company, (N.J.) Simsbury, Conn.
Eastern Mutual Life Insurance Company, Clifton
Essex Life Insurance Company, West Orange
Garden State Life Insurance Company, (N.J.) Washington, D.C.
Inter-American Life Insurance Company, (N.J.) Chicago, Ill.
Intercontinental Life Insurance Company, (N.J.) Jackson, Miss.
MetLife Security Insurance Company, East Hanover
The Mutual Benefit Life Insurance Company, Newark
New Jersey Life Insurance Company, Paramus
Penson Life Insurance Company of America, (N.J.) Valley Forge, Pa.
Progressive Life Insurance Company, Red Bank
Pruco Life Insurance Company of New Jersey, Newark
The Prudential Insurance Company of America, Newark
Resources Life Insurance Company, Fort Lee

NEW MEXICO

American Home Security Life Insurance Company, Artesia
Capital Security Life Insurance Company, (N.M.) Oklahoma City, Okla.
Zia United Life Insurance Company, Albuquerque

NEW YORK

Adirondack Life Insurance Company, Uniondale
Allstate Life Insurance Company of New York, (N.Y.) Northbrook, Ill.
The Amalgamated Life Insurance Company, Inc., New York
American Centurion Life Assurance Company, New York
American Crown Life Insurance Company, New York
American Family Life Assurance Company of New York, Albany
American General Life Insurance Company of New York, Syracuse
American International Life Assurance Company of New York, New York
The American Life Insurance Company of New York, New York
American Mayflower Life Insurance Company of New York, New York
American Medical Insurance Company, Hicksville
American Progressive Life and Health Insurance Company of New York, Brewster
American Western National Life Insurance Company, (N.Y.) Peapack, N.J.
Arista Insurance Company, New York
Baldwin Life Insurance Company, New York
Bankers Assurance Company, New City
Bankers Life and Casualty Company of New York, Garden City
Bankers Security Life Insurance Society, (N.Y.) Arlington, Va.
Banner Life Insurance Company of New York, (N.Y.) Rockville, Md.
CU Life Insurance Company of New York, Buffalo

NEW YORK—Continued

Canada Life Insurance Company of New York, Scarsdale
The Capitol Life Insurance Company of New York, New York
Church Life Insurance Corporation, New York
Columbian Mutual Life Insurance Company, Binghamton
Combined Life Insurance Company of New York, (N.Y.) Chicago, Ill.
Commercial Travelers Mutual Insurance Company, Utica
Companion Life Insurance Company, Rye
Dreyfus Life Insurance Company, New York
The Equitable Life Assurance Society of the United States, New York
Equitable Variable Life Insurance Company, New York
Executive Life Insurance Company of New York, Jericho
Family Guardian Life Insurance Company of New York, New York
Farm Family Life Insurance Company, Glenmont
Farmers and Traders Life Insurance Company, Syracuse
Fiduciary Insurance Company of America, New York
First Alexander Hamilton Life Insurance Company, Williamsville
First Commercial Life Insurance Company, Pearl River
First Investors Life Insurance Company, New York
First UNUM Life Insurance Company, Elmsford
First United American Life Insurance Company, Liverpool
Franklin United Life Insurance Company, Garden City
Gerber Life Insurance Company, White Plains
Golden Eagle Mutual Life Insurance Corporation, Brooklyn
The Guardian Life Insurance Company of America, New York
Home Life Insurance Company, New York
IDS Life Insurance Company of New York, Albany
INA Life Insurance Company of New York, New York
International Life Investors Insurance Company, New York
Intramerica Life Insurance Company, Pearl River
John Adams Life Insurance Company of New York, Jericho
John Alden Life Insurance Company of New York, New York
Lincoln Security Life Insurance Company, Brewster
MONY Legacy Life Insurance Company, New York
The Manhattan Life Insurance Company, New York
Mass Life Insurance Company of New York, New York
MetLife Security Insurance Company of New York, (N.Y.) East Hanover, N.J.
Metropolitan Life Insurance Company, New York
Monitor Life Insurance Company of New York, Utica
The Mutual Life Insurance Company of New York, New York
Mutual of America Life Insurance Company, New York
National Benefit Life Insurance Company, New York
National Home Life Assurance Company of New York, Binghamton
National Integrity Life Insurance Company, New York
New York Life Insurance Company, New York
North American Company for Life and Health Insurance of New York, Garden City
North American Reassurance Company, New York
The North Atlantic Life Insurance Company of America, Jericho
Old Republic Life Insurance Company of New York, Buffalo
Preferred Life Insurance Company of New York, New York
Presidential Life Insurance Company, Nyack
Reliance Standard Insurance Company (N.Y.) Philadelphia, Pa.
Royal Life Insurance Company of New York, New York
Royal Tandem Life Insurance Company, New York
Security Equity Life Insurance Company, Binghamton
Security Mutual Life Insurance Company of New York, Binghamton
Sentry Life Insurance Company of New York, Syracuse
Standard Security Life Insurance Company of New York, New York
Sun Life Insurance and Annuity Company of New York, New York
Teachers Insurance and Annuity Association of America, New York
Thomas Jefferson Life Insurance Company, Purchase
United Mutual Life Insurance Company, New York
United Pacific Reliance Life Insurance Company of New York, (N.Y.) Philadelphia, Pa.
The United States Life Insurance Company in the City of New York, New York
Unity Mutual Life Insurance Company, Syracuse
The Urbaine Life Reassurance Company, New York
Utica National Life Insurance Company, New Hartford
Virginia Life Insurance Company of New York, (N.Y.) Chicago, Ill.
Washington National Life Insurance Company of New York, New York
William Penn Life Insurance Company of New York, New Hyde Park
Windsor Life Insurance Company of America, Syracuse

NORTH CAROLINA

All American Assurance Company, (N.C.) Englewood, Colo.
American Defender Life Insurance Company, Raleigh
American Security Life Assurance Company of North Carolina, Raleigh
Carolina National Life Insurance Company, Whiteville
Charlotte Liberty Mutual Insurance Company, Charlotte
The Citadel Life Insurance Company, Charlotte
Consumers Life Insurance Company of North Carolina, (N.C.) Camp Hill, Pa.
Durham Life Insurance Company, Raleigh
Integon Life Insurance Corporation, Winston-Salem
Investors Consolidated Insurance Company, Inc., Durham
Jefferson-Pilot Life Insurance Company, Greensboro
Jefferson-Pilot Pension Life Insurance Company, Greensboro
Jefferson Standard Life Insurance Company, Greensboro
Mid-South Insurance Company, Fayetteville
North Carolina Mutual Life Insurance Company, Durham
Northwestern Security Life Insurance Company, Wilkesboro
Occidental Life Insurance Company of North Carolina, Raleigh
Peninsular Life Insurance Company, Raleigh
Peoples Security Life Insurance Company, Durham
Southern Life Insurance Company, (N.C.) Greenville, S.C.
Sturdivant Life Insurance Company, North Wilkesboro
Triad Life Insurance Corporation, Winston-Salem
Triangle Life Insurance Company, Raleigh
Twentieth Century Life Insurance Company, (N.C) Maitland, Fla.

NORTH DAKOTA

American Life and Casualty Insurance Company, Fargo
Lincoln Mutual Life and Casualty Insurance Company, Fargo
Manhattan National Life Insurance Company, (N.D.) New York, N.Y.
Midwest International Life Insurance Company, Fargo
Northland Life Insurance Company, Grand Forks
Pioneer Mutual Life Insurance Company, Fargo
Provident Life Insurance Company, Bismarck
Security International Insurance Co., Fargo
Surety Mutual Life & Casualty Insurance Company, Fargo
Western States Life Insurance Company, Fargo

OHIO

Acceleration Life Insurance Company, Dublin
American Chambers Life Insurance Company, Worthington
American Physicians Life Insurance Company, Pickerington
Carillon Life Insurance Company, Cincinnati
Central Benefits Life Insurance Company, Columbus
Central Reserve Life of North America Insurance Company, Berea
Classic Life Assurance Company, Columbus
Columbus Life Insurance Company, Columbus
The Columbus Mutual Life Insurance Company, Columbus
Columbus Security Life Insurance Company, Columbus
The Community Life Insurance Company, Worthington
The Credit Life Insurance Company, Springfield
Financial Horizons Life Insurance Company, Columbus
Frontier National Life Insurance Company, Cleveland
Grange Life Insurance Company, Columbus
Great American Life Insurance Company, (Ohio) Los Angeles, Cal.
The Harvest Life Insurance Company, (Ohio) Orlando, Fla.
Investors Fidelity Life Assurance Corporation, Columbus
The Life Insurance Company of Cincinnati, Fairfield
MBL Life Assurance Corporation, Cincinnati
Medical Life Insurance Company, Cleveland
The Midland Mutual Life Insurance Company, Columbus
Midland Stock Life Insurance Company, Columbus
Midwestern National Life Insurance Company of Ohio, Mayfield Village
Motorists Life Insurance Company, Columbus
National Masonic Provident Association, Columbus
Nationwide Life Insurance Company, Columbus
North American Equitable Life Assurance Company, Columbus
The Ohio Life Insurance Company, Hamilton
Ohio National Life Assurance Corporation, Cincinnati
The Ohio National Life Insurance Company, Cincinnati
The Ohio State Life Insurance Company, Columbus
Ozark National Life Insurance Company-Missouri, (Ohio) Kansas City, Mo.
Pan-Western Life Insurance Company, Columbus
Progressive American Life Insurance Company, Beachwood
The Shelby Life Insurance Company of Shelby, Ohio, Shelby
Sterling Life Insurance Company, Springfield
Summit National Life Insurance Company, Akron
The Union Central Life Insurance Company, Cincinnati
United Liberty Life Insurance Company, Cincinnati
Universal Guaranty Life Insurance Company, Columbus
Western Reserve Life Assurance Co. of Ohio, (Ohio) Largo, Fla.
Western-Southern Life Assurance Company, Cincinnati
The Western and Southern Life Insurance Company, Cincinnati
Westfield Life Insurance Company, Westfield Center

OKLAHOMA

Abundant Life Insurance Company, Tulsa
American Fidelity Assurance Company, Oklahoma City
American General Life Insurance Company of Oklahoma, Oklahoma City
American Reserve Life Insurance Company, Tulsa
American Southwest Insurance Company, Tulsa
American Standard Life and Accident Insurance Company, Enid
American Trend Life Insurance Company, Oklahoma City
American Trustee Life Corporation, Bethany
Atlas Life Insurance Company, Tulsa
Bankers Assurance Corporation, Oklahoma City
Century Life Assurance Company, Oklahoma City
Commix Re Insurance Company, Oklahoma City
Continental National Life Insurance Company, Oklahoma City
Credit Life Corporation of America, Oklahoma City
Eagle Life Insurance Company, Oklahoma City
Edmond National Life Insurance Company, Oklahoma City
Enterprise National Life Insurance Company, Oklahoma City
Equity Benefit Life Insurance Company, (Okla.) Phoenix, Ariz.
Falcon National Life Insurance Company, Oklahoma City
Farmers and Ranchers Life Insurance Company, (Okla.) Maitland, Fla.
First Family Life Insurance Company, Oklahoma City
First Life Assurance Company, Oklahoma City
First Oklahoma Life Insurance Company, Oklahoma City
Globe Life and Accident Insurance Company of Oklahoma, Inc., Oklahoma City
Great Western Life and Accident Insurance Company, (Okla.) Arlington, Texas
Guardian American Life Insurance Company, (Okla.) Dallas, Texas
Home Security Life Insurance Company, Pauls Valley
Homebuild Insurance Co., Oklahoma City
Investors Security Insurance Company, Oklahoma City
Life Assurance Company, Inc., Oklahoma City

OKLAHOMA—Continued

Life Assurance Company of Oklahoma, Inc., Oklahoma City
Mark Twain Life Insurance Corporation, Oklahoma City
Member Service Life Insurance Company, Tulsa
Mercury National Life Insurance Company, Norman
Mid-Continent Life Insurance Company, Oklahoma City
Mid-Western Life Insurance Company, Enid
National Assurance Life Insurance Company, Norman
National Capital Life Insurance Company, Oklahoma City
Oklahoma Credit Life Insurance Company, (Okla.) Springfield, Ohio
Old Surety Life Insurance Company, Oklahoma City
Preferred Service Assurance Company, Oklahoma City
Premier National Life Insurance Company, Oklahoma City
Professional Investors Life Insurance Company, Tulsa
Progress Life and Accident Insurance Company, Tulsa
Quaker Life Insurance Company, Tulsa
Reserve National Insurance Company, Oklahoma City
Security General Life Insurance Company, Oklahoma City
Sheridan Life Insurance Company, Lawton
Sooner Life Insurance Company, Ponca City
Sooner State Life Insurance Company, Ponca City
Southwest Capital Life Insurance Company, Norman
Standard Life and Accident Insurance Company, Oklahoma City
Tinker Life Insurance Company, Midwest City
United Equity Life Insurance Company, Oklahoma City
United Founders Life Insurance Company, Oklahoma City
United Services General Life Company, (Okla.) Arlington, Va.
Universal Fidelity Life Insurance Company, Duncan
Western Heritage Life Insurance Company, Madill
Wichita National Life Insurance Company, Lawton

OREGON

American Guaranty Life Insurance Company, Portland
Farwest American Assurance Company, Portland
First Farwest Life Insurance Company, Portland
Oregon Pacific States Insurance Company, Portland
Pacific Heritage Assurance Company, Portland
Pacific Northwest Life Insurance Company, Portland
Standard Insurance Company, Portland

PENNSYLVANIA

AIG Life Insurance Company, (Pa.) Wilmington, Del.
Acceleration Life Insurance Company of Pennsylvania, (Pa.) Dublin, Ohio
Allnation Life Insurance Company of Pennsylvania, (Pa.) Wilmington, Del.
American Guardian Life Assurance Company, Jenkintown
American Independent Life Insurance Company, Wilkes-Barre
American Travellers Life Insurance Company, Warrington
AMICARE Insurance Company, Philadelphia
Colonial Penn Life Insurance Company, Philadelphia
Columbia Life Insurance Company, Bloomsburg
Congressional Life Insurance Company, Philadelphia
Continental Life Insurance Company, Upper Darby
Corporate Life Insurance Company, West Chester
Educators Mutual Life Insurance Company, Lancaster
Equitable Beneficial Life Insurance Company, Broomall
Erie Family Life Insurance Company, Erie
Fidelity General Life Insurance Company, Radnor
Fidelity Investments Life Insurance Company, (Pa.) Boston, Mass.
The Fidelity Mutual Life Insurance Company, Radnor
First Penn-Pacific Life Insurance Company, Harrisburg
Fortune National Life Insurance Company, Coraopolis
Germantown Life Insurance Company, Philadelphia
Gibraltar Life Insurance Company, Bala Cynwyd
Harleysville Life Insurance Company, Harleysville
Integrity National Life Insurance Company, Philadelphia
Interfaith Life Insurance Company, Philadelphia
Investors Life Insurance Company of North America, Philadelphia
Keystone State Life Insurance Company, Philadelphia
Life Assurance Company of Pennsylvania, (Pa.) Chicago, Ill.
Life and Health Insurance Company of America, Philadelphia
Life Insurance Company of North America, Philadelphia
The Manufacturers Life Insurance Company of America, Philadelphia
Middle Atlantic Life Insurance Company, Wayne
National American Life Insurance Company of Pennsylvania, (Pa.) Fresno, Cal.
National Liberty Life Insurance Company, Frazer
National Safety Life Insurance Company, Philadelphia
Northeastern Life Insurance Company, Philadelphia
The Penn Mutual Life Insurance Company, Philadelphia
Penn Treaty Life Insurance Company, Allentown
Pennsylvania Life Insurance Company, (Pa.) Santa Monica, Cal.
Pennsylvania National Life Insurance Company, Harrisburg
Philadelphia American Life Insurance Company, (Pa.) Houston, Texas
Philadelphia Life Insurance Company, (Pa.) Dallas, Texas
Philadelphia-United Life Insurance Company, Philadelphia
The Philanthropic Mutual Life Insurance Company, Rosemont
Pilgrim Life Insurance Company, Folcroft
Premier Life Insurance Company, Philadelphia
Presbyterian Ministers' Fund, Philadelphia
Princeton Life Insurance Company, Lancaster
Protected Home Mutual Life Insurance Company, Sharon
Provident Indemnity Life Insurance Company, Norristown
Provident Mutual Life Insurance Company of Philadelphia, Philadelphia
Provident Fidelity Life Insurance Company, Blue Bell
Q-Care Insurance Company, Philadelphia
Reliance Life Insurance Company, Philadelphia
Ritter Life Insurance Company, Huntingdon Valley
Security of America Life Insurance Company, Reading
Teachers Protective Mutual Life Insurance Company, Lancaster
Union Benefit Life Insurance Company, (Pa.) Rockford, Ill.
Union Fidelity Life Insurance Company, (Pa.) Chicago, Ill.
United Republic Life Insurance Company, Harrisburg
Valley Forge Life Insurance Company, (Pa.) Chicago, Ill.
Washington Square Life Insurance Company, Philadelphia
World Life & Health Insurance Company of Penna., King of Prussia

PUERTO RICO

American International Life Insurance Company of Puerto Rico, Santurce
Atlantic Southern Insurance Company, Rio Piedras
Caribbean Bankers Life Insurance Company, San Juan
Cooperativa de Salud Castaner, Castaner
Cooperativa de Seguros de Vida de Puerto Rico, Hato Rey
Intercontinental Life Insurance Company of Puerto Rico Inc., Hato Rey
National Life Insurance Company, Hato Rey
Security National Life Insurance Company of Puerto Rico, Hato Rey
Trans-Oceanic Life Insurance Co., Guaynabo
Universal Life Insurance Company, Hato Rey

RHODE ISLAND

Amica Life Insurance Company, Providence
Cable Life Insurance Company, (R.I.) Philadelphia, Pa.
Celtic Life Insurance Company, (R.I.) Hartford, Conn.
Keystone Provident Life Insurance Company, (R.I.) Boston, Mass.
Monogram Reassurance Corporation, Smithfield
Northern National Life Ins. Co. of RI, Providence
Old Colony Life Insurance Company, (R.I.) Atlanta, Ga.
Providence Life Insurance Company, (R.I.) Fort Lee, N.J.
Rumford Life Insurance Company, Providence

SOUTH CAROLINA

American Executive Life Insurance Company, Columbia
American Old Line Life Insurance Company, Columbia
Argus Life Insurance Company, (S.C.) Charlotte, N.C.
Atlantic Coast Life Insurance Company, Charleston
Carolina Continental Insurance Company, Columbia
Carolina Fidelity Life Insurance Company, Columbia
Colonial Life & Accident Insurance Company, Columbia
Companion Life Insurance Company, Columbia
Continental Life Insurance Company of South Carolina, Columbia
Great Eastern Life Insurance Company, (S.C.) Greensboro, N.C.
The Investment Life & Trust Company, Mullins
Investors Consolidated Insurance Company of South Carolina, Charleston
Investors National Life Insurance Company, Columbia
Kanawha Insurance Company, Lancaster
Liberty Life Insurance Company, Greenville
Old Spartan Life Insurance Company, Inc., Spartanburg
Peoples Life Insurance Company of South Carolina, Greenville
Piedmont Insurance Company, Marion
Public Savings Life Insurance Company, Charleston
The South Atlantic Life Insurance Company, Charleston
Standard Life & Casualty Insurance Company, Rock Hill
Superior Life Insurance Company, (S.C.) Charlotte, N.C.

SOUTH DAKOTA

Brookings International Life Insurance Company, Brookings
Investors Life Insurance Company of Nebraska, Sioux Falls
Midland National Life Insurance Company, Sioux Falls
National Reserve Life Insurance Company, (S.D.) Kansas City, Mo.
Prairie States Life Insurance Company, Rapid City
Rushmore Mutual Life Insurance Company, Rapid City
Underwriters Life Insurance Company, (S.D.) Dallas, Texas
Western Mutual Life and Casualty Company, Rapid City

TENNESSEE

American General Life and Accident Insurance Company, Nashville
The American Progressive Life Insurance Company, Brentwood
Appalachian National Life Insurance Company, (Tenn.) San Antonio, Texas
Associates Financial Life Insurance Company, (Tenn.) Irving, Texas
Bankers' Service Life Insurance Company, Knoxville
Consumer Benefit Life Insurance Company, Nashville
Continental Life Insurance Company of Brentwood, Tennessee, Brentwood
Enterprise Life Insurance Company, Chattanooga
Franklin Americas Life Insurance Company, Franklin
Golden Circle Life Insurance Company, Brownsville
Golden Security Life Insurance Company, Memphis
Life and Casualty Insurance Company of Tennessee, Nashville
Lincoln American Life Insurance Company, (Tenn.) Carmel, Ind.
Mid-West National Life Insurance Company of Tennessee, Nashville
Mountain Life Insurance Company, Alcoa
National Savings Life Insurance Company, Murfreesboro
Plateau Insurance Company, Crossville
Provident Life and Accident Insurance Company, Chattanooga
Provident Life and Casualty Insurance Company, Chattanooga
Provident National Assurance Company, Chattanooga
Tennessee Farmers Life Insurance Company, Columbia
Tennessee Farmers Life Reassurance Company, Columbia
Universal Life Insurance Company, Memphis
The Volunteer State Life Insurance Company, Chattanooga

TEXAS

AMLIFE Insurance Company, Brownwood
Alton Life Insurance Company, San Antonio
Ag. Workers Life Insurance Company, Fort Worth
Allied Bankers Life Insurance Company, Dallas
Alpha Life Insurance Company, Dallas
Ambassador Life Insurance Company, Houston
American-Amicable Life Insurance Company, Houston
American-Amicable Life Insurance Company of Texas, Waco
American Capitol Insurance Company, Houston
American Customs Life Insurance Company, (Texas) Warrington, Pa.
American Equitable Life Insurance Company, Dallas
American Exchange Life Insurance Company, Dallas
American Federation Life Insurance Company, Houston
American Financial Life Insurance Company, Carrollton
American First Life Insurance Company, Richardson
American Founders Life Insurance Company, (Texas) Phoenix, Ariz.
American General Group Insurance Company, Dallas
American General Life Insurance Company, Houston
American Group Life Insurance Company, Austin
American Guaranty Life Insurance Company, Austin
American Heritage Life Insurance Company of Texas, Dallas
American Insurance Company of Texas, Waco
American Military Life Insurance Company, Dallas
American National Insurance Company, Galveston
American National Life Insurance Company of Texas, Galveston
American Physicians Life Insurance Company, Austin
American Security Life Insurance Company, San Antonio
American Service Life Insurance Company, Fort Worth
American Southwest Life Insurance Company, Austin
American Teachers Life Insurance Company, Humble
American Trust Life Insurance Company, Dallas
The Americas-World Life Insurance Company, Houston
Americana Life Insurance Company, Houston
Ameriway Life Insurance Company, Houston
Associated Bankers Life Insurance Company, Denton
Associated Investors Life Insurance Company, Brenham
Associated Underwriters Life Insurance Company, Carrollton
Associates Financial Life Insurance Company of Texas, Irving
Bankers Commercial Life Insurance Company, Dallas
Bankers Life Insurance Company of America, Dallas
Bankers National Life Insurance Company, (Texas) Carmel, Ind.
Bankers Service Life Insurance Company, Dallas
Bay Harbor Life Insurance Company, La Porte
Benefactors Life Insurance Company, Waco
Blue Cross and Blue Shield of Texas, Inc., Richardson
Brazos Security Life Insurance Company, Weatherford
Broadway Life Insurance Company, Wichita Falls
Broadway National Life Insurance Company, San Antonio
C/F Life Insurance Company, San Antonio
Central Security Life Insurance Company, Fort Worth
Centran Life Insurance Company, Dallas
Champions Life Insurance Company, Dallas
Christian Fidelity Life Insurance Company, Waxahachie
Citizens Fidelity Insurance Company, Waco
Citizens Insurance Company of America, Austin
Colonial Life Insurance Company of Texas, Fort Worth
Colonial Security Life Insurance Company, Dallas
Columbia Universal Life Insurance Company, Houston
Combined Underwriters Life Insurance Company, Tyler
Commercial Life & Accident Insurance Company, Denton
Commercial Travelers Life Insurance Company, Dallas
Commodore Life Insurance Company, Dallas
Commonwealth Financial Life Insurance Company, Houston
Concorde Life Insurance Company, Houston
Confidence Life Insurance Company, Waco
Connell Life Insurance Company of Texas, Killeen
Consolidated General Life Insurance Company, Dallas
Consolidated Savings Life Insurance Company, Dallas
Consumer Protection Life Insurance Company, Dallas
Continental Life Insurance Company, Fort Worth
Coronado Life Insurance Company, El Paso
Credit Guard Life Insurance Company, Houston
Custom Security Mutual Life Insurance Company, Austin
D & M Life Insurance Company, Irving
Dallas General Life Insurance Company, Dallas
Dallas National Life Insurance Company, Dallas
Diamond Life Insurance Company, Fort Worth
Diversified Life Insurance Company, San Antonio
Eagle Life Insurance Company, San Antonio
Empire Life and Hospital Insurance Company, Austin
Employees Life Insurance Company, San Antonio
Employers National Life Insurance Company, Dallas
Ensign Life Insurance Company, Fort Worth
Enterprise Life Insurance Company, Arlington
Entrepreneurial Life Insurance Company, Dallas
Equitas International Life Insurance Company, Fort Worth
Eureka Life Insurance Company of America, Wichita Falls
Family Life Insurance Company of Texas, Waco
Family Security Insurance Company of America, Fort Worth
Family Service Life Insurance Company, Houston
Fidelity Americas Life Insurance Company, Dallas
Fidelity Union Life Insurance Company, Dallas
Financial Guaranty Life Insurance Company, Wichita Falls
First American Southwest Life Insurance Company, Bedford
First City Life Insurance Company, Houston
First Continental Life & Accident Insurance Co. of Texas, Houston
First Fidelity Life Insurance Company, Houston
First Independent Bankshares Life Insurance Company, Abilene
First Interstate Life Insurance Company of Texas, Houston
First Life Insurance Company, Arlington
First National Indemnity Life Insurance Company, Cisco
First of Groves Life Insurance Company, Dallas
First Republic Life Insurance Company, Dallas
First RepublicBank Life Insurance Company, Dallas
First Security Life Insurance Company of Texas, Dallas
First United Life Insurance Company of America, Dallas
First Victoria Insurance Company, Victoria
Foley Reserve Life Insurance Company, Houston
Foundation Life Insurance Company, Houston
Future Security Life Insurance Company, Austin
G.I.C. Insurance Company, San Antonio
General Security Life Insurance Company, Bryan
Germania Life Insurance Company, Brenham
Gibson National Life Insurance Company, Dallas
Glenwood Life Insurance Company, Plano
Gold Reserve Life Insurance Company, Waco
Government Personnel Mutual Life Insurance Company, San Antonio
Great American Reserve Insurance Company, Dallas
Great Coast Life Insurance Company, San Antonio
Great Southern Life Insurance Company, Dallas
Great Southwest Life Insurance Company, Houston
Group Life and Health Insurance Company, Richardson
Guaranty National Life Insurance Company, Houston
Guardian Security Life Insurance Company, Grand Prairie
Gulf Atlantic Life Insurance Company, (Texas) San Francisco, Cal.
Gulf National Life Insurance Company of Texas, Waco
Hill Country Life Insurance Company, Austin
Hill Country Life Insurance Company of America, Austin
Hill Country Life Insurance Company of Texas, Austin
Houston National Life Insurance Company, Webster
Houston United Life Insurance Company, Houston
Independent Standard Insurance Company, Dallas
Industrial Life Insurance Company, Dallas
Inland Life Insurance Company, Forth Worth
Institutional Founders Life Insurance Co. of Texas, (Texas) Chicago, Ill.
Insurance Company of America, Austin
Insurance Investors Life Insurance Company, Fort Worth
InterFirst Insurance Company, Dallas
International Fidelity Life Insurance Company, Fort Worth
International Security Life Insurance Company, Dallas
Jackson National Life Insurance Company of Texas, Dallas
Jacksonville Life Insurance Company, Jacksonville
Justice Life Insurance Company, Dallas
Knickerbocker Life Insurance Company, El Paso
LIC Life Insurance Company, Dallas
Lakeway Security Life Insurance Company, Temple
Legal Security Life Insurance Company, Mesquite
Liberty General Life Insurance Company, Tyler
Life Insurance Company of the Southwest, Dallas
Life Insurance Company of Texas, Dallas
Life of America Insurance Company, Houston
Life Protection Insurance Company, Forney
Lifeline Underwriters Life Insurance Company, Tyler
LifeRe Insurance Company, San Antonio
Lomas Bankers Life Insurance Company, Dallas
Lone Star Life Insurance Company, Dallas
MTM Life Insurance Company, San Antonio
McDonald Life Insurance Company, Waco
Members Life Insurance Company, Farmers Branch
Mercantile Life Insurance Company, Dallas
Midland Financial Life Insurance Company, Midland
The Millers Life Insurance Company of Texas, Fort Worth
Mission Life Insurance Company, Houston
Murray Life Insurance Company, Dallas
Mustang Life Insurance Company, Rio Vista
NAP Life Insurance Company, Austin
NTA Life Insurance Company, Dallas
National Atlas Life Insurance Company, Houston
National Bancshares Life Insurance Company, San Antonio
National Benefit Life Insurance Company, Fort Worth
National Family Care Life Insurance Company, Dallas
National Farm Life Insurance Company, Fort Worth
National Financial Insurance Company, Austin
National Health Insurance Company, Grand Prairie
National Heritage Insurance Company, Dallas
National Life and Accident Insurance Company, Houston
National Motor Club Life & Accident Insurance Company, (Texas) Phoenix, Ariz.
National Public Service Insurance Company, Waco
National Security Life and Accident Insurance Company, Arlington
Navton Life Insurance Company, Hye
Nobel Life Insurance Company, Dallas
North America Life Insurance Company, Houston
Old National Insurance Company, Houston
Old Reliable Life Insurance Company, (Texas) Webster Groves, Mo.
Old Republic Life Insurance Company of Texas, Dallas
Old Surety Life Insurance Company of Texas, (Texas) Oklahoma City, Okla.
Omaha Financial Life Insurance Company of Texas, (Texas) Minneapolis, Minn.
Optimum Re Insurance Company, Irving
Pacific Security Life Insurance Company, El Paso
Pacific Standard Life Insurance Company of Texas, Austin
Paramount National Life Insurance Company, Dallas
Peoples Life Insurance Company, Houston
Pikeman's Protective Life Insurance Company, La Porte
Pioneer Americas Insurance Company, Waco
Pioneer Security Life Insurance Company, Waco

TEXAS—Continued

Praetorian Mutual Life Insurance Company, Irving
Presidennal Life Insurance Company, Dallas
Progressive Mutual Life Insurance Company, Richardson
Provident American Insurance Company, Dallas
Pruco Life Insurance Company of Texas, Houston
RMS Life Insurance Company, Houston
Regional Life Insurance Company, Houston
Republic Bankers Life Insurance Company, Dallas
Republic National Life Insurance Company, Houston
Republic-Vanguard Life Insurance Company, Dallas
Reserve Life Insurance Company, Dallas
SWL Re Life Insurance Company, Dallas
Savers Annuity Insurance Company, Dallas
Schreiner Life Insurance Company, Kerrville
Sentinel American Life Insurance Company, Houston
Service Life & Casualty Insurance Company, Austin
Shannon Life Insurance Company, Fort Worth
South Texas Bankers Life Insurance Company, Beeville
Southern Fidelity Life Insurance Company, Marshall
Southern General Life Insurance Company of Texas, Irving
Southern National Life Insurance Company, Dallas
Southland Life Insurance Company, Plano
Southwest First Community Life Insurance Company, Beeville
Southwest Home Life Insurance Company, Dallas
Southwestern Life Insurance Company, Dallas
State National Life Insurance Company, Inc., Arlington
State Reserve Life Insurance Company, San Antonio
States General Life Insurance Company, Dallas
Statesman National Life Insurance Company, Houston
Sunland Life Insurance Company, Cisco
Surety American Life Insurance Company, El Paso
TDA Life & Health Insurance Company, Houston
TIB Life Insurance Company, Carrollton
Tandy Life Insurance Company, Fort Worth
Tesoro Life Insurance Company of Texas, Laredo
Texas American Life Insurance Company, Fort Worth
Texas Central Life Insurance Company, Dallas
Texas Consumer Life Insurance Company, Waco
Texas Fidelity Life Insurance Company, Nocona
Texas International Life Insurance Company, Dallas
Texas Life Insurance Company, Waco
Texas Savings Life Insurance Company, Austin
Texas South Life Insurance Company, La Grange
Tower Life Insurance Company, San Antonio
Trans-National Life Insurance Company, Houston
Transport Life Insurance Company, Fort Worth
Travis Life Insurance Company, Austin
Trust Life Insurance Company, Waco
USAA Annuity Life Insurance Company, San Antonio
USAA Life Insurance Company, San Antonio
USLIFE Credit Life Insurance Company of Texas, (Texas) Schaumburg, Ill.
USLIFE Life Insurance Company, (Texas) Pasadena, Cal.
Underwriters Life Insurance Company of Texas, Dallas
Union Bankers Insurance Company, Dallas
Union National Life Insurance Company, Houston
United Bankers Life Insurance Company, Dallas
United Fidelity Life Insurance Company, Fort Worth
United General Life Insurance Company, (Texas) St. Petersburg, Fla.
United Group Insurance Company, Irving
United Mercantile Life Insurance Company, El Paso
United Savings Life Insurance Company, Austin
Universal Security Life Insurance Company, Houston
University National Credit Life Insurance Company, San Antonio
The Variable Annuity Life Insurance Company, Houston
Virginia Life Insurance Company, Fort Worth
Viscount Life Insurance Company, Victoria
Vista Life Insurance Company of Texas, Houston
Western Casualty Life Insurance Company, Fort Worth
Western General Life Insurance Company, Houston
Western National Life Insurance Company, Amarillo
Western Reinsurance Company, San Antonio
Westlane Insurance Company, Houston
White Life Insurance Company, Waco

UTAH

American Investors Assurance Company, Salt Lake City
American Protectors Insurance Company, Salt Lake City
American Western Life Insurance Company, (Utah) Foster City, Cal.
Aristar Life Insurance Company, (Utah) Sherman Oaks, Cal.
Beneficial Life Insurance Company, Salt Lake City
Bonneville Life Insurance Company, Salt Lake City
City Life Insurance Company, Salt Lake City
Deseret Mutual Benefit Association, Salt Lake City
Educators Mutual Insurance Association, Murray
Equitable Life and Casualty Insurance Company, Salt Lake City
First Continental Life & Accident Insurance Co., Midvale
Gem Insurance Company, Salt Lake City
Great Western Insurance Company, Ogden
Landcar Life Insurance Company, Murray
Security National Life Insurance Company, Salt Lake City
Sentinel Security Life Insurance Company, Salt Lake City
Surety Life Insurance Company, Salt Lake City
Town & Country Life Insurance Company, Salt Lake City
Utah Farm Bureau Life Insurance Company, (Utah) West Des Moines, Iowa
Western American Life Insurance Company, Salt Lake City

VERMONT

Bay Colony Life Insurance Company of Vermont, Inc., (Vt.) Springfield, Mass.
Champlain Life Insurance Company, Montpelier
J. C. Penney Life Insurance Company, (Vt.) Plano, Texas
National Life Insurance Company, Montpelier
National Pension Life Insurance Company, (Vt.) New York, N.Y.
Springfield Life Insurance Company, Incorporated, (Vt.) Springfield, Mass.
Vermont Life Insurance Company, Montpelier

VIRGINIA

Acacia National Life Insurance Company, (Va.) Washington, D.C.
American Agency Life Insurance Company, (Va.) Chicago, Ill.
Eastern Insurance Company, Roanoke
Equitable Life Insurance Company, Richmond
Fidelity Bankers Life Insurance Company, Richmond
First Colony Life Insurance Company, Lynchburg
First Commonwealth Life Insurance Company, (Va.) Springfield, Ill.
First Virginia Life Insurance Company, Falls Church
Home Beneficial Life Insurance Company, Richmond
Jamestown Life Insurance Company, Lynchburg
The Life Insurance Company of Virginia, (Va.) Chicago, Ill.
Old Dominion Life Insurance Company, Roanoke
Shenandoah Life Insurance Company, Roanoke
Southern Aid Life Insurance Company Inc, Richmond
United Services Life Insurance Company, Arlington
Virginia Mutual Benefit Life Insurance Company, Inc., Richmond

WASHINGTON

Enumclaw Life Insurance Company, Enumclaw
Family Life Insurance Company, Seattle
Farmers New World Life Insurance Company, Mercer Island
GNA Life Insurance Company, Seattle
Great Northern Insured Annuity Corporation, Seattle
Great Republic Life Insurance Company, Seattle
Merrill Lynch Life Insurance Company, Seattle
North Coast Life Insurance Company, Spokane
North West Life Assurance Company of America, Spokane
Northern Life Insurance Company, Seattle
Omega National Insurance Company, Seattle
Pemco Life Insurance Company, Seattle
SAFECO Life Insurance Company, Seattle
SAFECO National Life Insurance Company, Seattle
Seafirst Life Insurance Company, Seattle
States West Life Insurance Company, Seattle
Sunset Life Insurance Company of America, Olympia
United Olympic Life Insurance Company, Bellevue
United Pacific Life Insurance Company, Federal Way
Universal Security Life Insurance Company, Kirtland
Western United Life Assurance Company, Spokane

WEST VIRGINIA

Appalachian Life Insurance Company, Huntington
George Washington Life Insurance Company, (W.Va.) Jacksonville, Fla.

WISCONSIN

American Family Capital Insurance Company, Madison
American Family Life Insurance Company, Madison
Association Life Insurance Company, Inc., Brookfield
Commercial Life Insurance Company, (Wisc.) Piscataway, N.J.
CUDIS Insurance Society, Inc., Madison
CUNA Mutual Insurance Society, Madison
The EPIC Life Insurance Company, Madison
Employers Health Insurance Company, De Pere
Employers Life Insurance Company of Wausau, Wausau
Family Insurance Corporation, Shawano
First Transcontinental Life Insurance Corporation, Milwaukee
General Life Insurance Corporation of Wisconsin, Milwaukee
ITT Life Insurance Corporation, (Wisc.) Minneapolis, Minn.
International General Insurance Corporation, Milwaukee
Lyndon Insurance Company, (Wisc.) St. Louis, Mo.
Madison National Life Insurance Company, Inc., Middleton
Milwaukee Life Insurance Company, Milwaukee
National Guardian Life Insurance Company, Madison
North American Insurance Company, Madison
The Northwestern Mutual Life Insurance Company, Milwaukee
The Old Line Life Insurance Company of America, Milwaukee
Ozark National Life Insurance Company-Missouri, (Wisc.) Kansas City, Mo.
Rural Security Life Insurance Company, Madison
SECURA Life Insurance Company, Appleton
Sentry Life Insurance Company, Stevens Point
State Life Insurance Fund (State of Wisconsin), Madison
Time Insurance Company, Milwaukee
United Wisconsin Life Insurance Company, Milwaukee
WEAIT Insurance Corporation, Madison
Wausau Life Insurance Company, Wausau
Wausau Underwriters Life Insurance Company, Wausau
Wisconsin Life Insurance Company, Madison
Wisconsin National Life Insurance Company, Oshkosh

WYOMING

OLD Faithful Life INS. CO., Cheyenne
TETON National INSURANCE Co., Cheyenne

A. 2. PROPERTY/CASUALTY CO.'S BY STATE

Companies Listed By States

When administrative offices are located elsewhere, the state of incorporation is shown in parentheses after the company's name.

ALABAMA

Birmingham:
American Liberty Ins Co
Dixie Insurance Company (Fla.)
Liberty National Fire Ins Co
Liberty National Ins Corp
Mutual Assurance, Inc.
Sheffield Insurance Co
Stonewall Insurance Company
Stonewall Surplus Lines Ins (Del.)
Torchmark Group
Decatur:
Mutual Savings Fire Ins Co
Elba:
National Security F & C Co
Hoover:
Employers Insurance Co of AL
Mobile:
American Resources Ins Co
Montgomery:
Alfa General Insurance Corp
Alfa Insurance Corporation
Alfa Insurance Group
Alfa Mutual Fire Ins Co
Alfa Mutual General Ins Co
Alfa Mutual Insurance Co
Capitol Fire & Marine Ins Co
Southern Fund Insurance Corp
Southern Guaranty Ins Co
Southern Guaranty Ins GA (Ga.)
Southern United Fire Ins Co

ALASKA

Anchorage:
Alaska Insurance Company
Alaska National Insurance Co
Alaska Pacific Assurance Co
Medical Indemnity Corp of AK
Pacific Marine Ins of AK
Providence Washington of AK

ARIZONA

Phoenix:
State Comp Fund AZ
Farmers Insurance Co of Ariz
Mutual Insurance Co of Ariz
Republic Western Ins Co
Tri-Star Insurance Company
Western Agricultural Ins Co
Scottsdale:
American Reliable Ins Co (Minn.)
Dairyland Insurance Co (Wisc.)
E F Hutton Insurance Company
Nautilus Insurance Company
Scottsdale Insurance Co (Del.)
Summit Home Insurance Co (Minn.)
Western Heritage Ins Co

ARKANSAS

Little Rock:
Farm Bureau Mutual of Ark
Morrilton:
American Underwriters Ins Co

CALIFORNIA

Agoura Hills:
Heritage Indemnity Company
Anaheim:
Colonial Insurance Co of Cal
Developers Insurance Company
Indemnity Company of Calif
Insco/Dico Group
Atwater:
Merced Mutual Insurance Co
Burbank:
Fairmont Insurance Company
Fairmont Insurance Group
Financial Indemnity Company
Burlingame:
C E Heath Comp & Liab Ins Co (Del.)
Calabasas:
First California P & C Ins Co
Corte Madera:
Sutter Insurance Company
Costa Mesa:
Canadian Ins Co of Calif
USF RE Insurance Co (Mass.)
Encino:
Republic American Ins Group
Republic Indemnity of Amer
Republic Indemnity of Calif
Western General Insurance Co
Zenith Insurance Company
Zenith National Ins Group
Fullerton:
Pacific Automobile Ins Co
Pacific National Ins Co
Huntington Beach:
Western Underwriters Ins Co
Irvine:
Anvil Insurance Company
Balboa Insurance Company
Countrywide Ins Co Cal
Meritplan Insurance Company
Newport Insurance Company (Ariz.)
Transamerica Premier Ins
Transamerica Specialty Ins C
UniCARE Insurance Company
Los Angeles:
Allianz Insurance Company
Allianz Insurance Group
Allianz Underwriters Ins Co
American Bonding Company (Neb.)
American Bonding Group
American Surety Company
Associated International Ins
California Union Ins Co
Carlisle Insurance Company
COMPAC Insurance Company
Comstock Insurance Company
Crusader Insurance Co
Equity General Insurance Co (Ill.)
Farmers Insurance Exchange
Farmers Insurance Group
Fire Insurance Exchange
Fremont Compensation Ins Co
Fremont Indemnity Company
Fremont Insurance Group
Harbor Insurance Company
Insurance Company of Md (Md.)
Insurance Corp of Hannover (Ill.)
Interins Ex Auto Club S Cal
Landmark Insurance Company
Mercury Casualty Company
Mercury General Group
Mercury Indemnity Company
Mercury Insurance Company
Mid-Century Insurance Co
Mission American Ins Co
Pacific Employers Ins Co
Pacific Insurance Company
Pacific States Casualty Co
Paula Insurance Company
Thriftco Insurance Company
Topa Insurance Company
Transamerica Corp Group
Transamerica Indemnity Co

Transamerica Insurance Co
Transamerica Lloyds Ins Co (Texas)
Truck Insurance Exchange
Workmen's Auto Insurance Co

Menlo Park:
Argonaut Group
Argonaut Insurance Company
Argonaut-Northwest Ins Co (Idaho)
Argonaut-Southwest Ins Co (La.)
Georgia Insurance Company (Ga.)
Sequoia Insurance Company

Mission Viejo:
Cal-American Insurance Co

Monterey:
California Capital Ins Co
California Insurance Group
Eagle West Insurance Co

Napa:
Sierra Pacific Insurance Co

Newport Beach:
Avco Financial Insurance Grp

Novato:
American Insurance Company (N.J.)
Associated Indemnity Corp
Fireman's Fund Insurance Co
Fireman's Fund Insurance Cos

Oakland:
Medical Insurance Exch of CA
Western Pioneer Insurance Co

Orange:
Southern Cal Phys Ins Exch

Pasadena:
Cypress Insurance Company
National Auto & Cas Ins Co
Redwood Fire and Casualty (Neb.)

Rancho Dominguez:
National Amer Ins Co of Cal

Sacramento:
CalFarm Insurance Company

San Bruno:
Great Pacific Insurance Co
Pacific Compensation Ins Co

San Diego:
Arcadia General Ins Co (Ariz.)
Explorer Insurance Company
Foresters Indemnity Co (Can.)
Golden Eagle Insurance Co
ICW Group
Insurance Co of the West
Wawanesa Mutual Ins Co (Can.)

San Francisco:
All West Insurance Company
Beaver Insurance Company
California Insurance Company
California State Auto Assn
Civil Service Employees Grp
Civil Service Employees Ins
CSE Safeguard Insurance Co
Fremont Reinsurance Company
Great Falls Insurance Co
Industrial Indemnity Company
Industrial Indemnity of AK (Alask.)
Industrial Indem Co of ID (Idaho)
Industrial Ind Co of the NW (Wash.)
Industrial Ins Co of Hawaii (Hawaii)
Industrial Insurance Co
Majestic Ins Co
Norcal Mutual Insurance Co
PMI Insurance Co
PMI Mortgage Insurance (Ariz.)
San Francisco Reinsurance Co
State Comp Ins Fund CA
Valley Insurance Company

San Jose:
Citation Insurance Company

San Mateo:
California Casualty & Fire
California Casualty General
California Casualty Gp
California Casualty Ind Exch
California Casualty Ins Co

San Pedro:
Commercial Fishermen's Exch

San Rafael:
American Express Group
AMEX Assurance Company (Ill.)
Wisconsin Employers Ind Co (Wisc.)

Santa Ana:
Western Employers Ins Co
Western Employers of America

Santa Monica:
Doctors' Co Interins Exch
Penn Casualty Insurance Co (Del.)
Residence Mutual Ins Co
Residence/Western Group
Western Mutual Insurance Co

Van Nuys:
Century-National Ins Co
Coastal Insurance Company

Woodland Hills:
Amwest Group
Amwest Surety Insurance Co
Buffalo Reinsurance Co (N.H.)
Far West Insurance Company
Superior National Ins Co
20th Century Insurance Co

CANADA

Vancouver, B.C.:
Elite Insurance Company

COLORADO

Denver:
Colorado Farm Bureau Mutual
Continental Surety & Fidelty
Farmers Union Mutual Ins Co
Insurance Co of Colorado
National Farmers Union Group
National Farmers Union P&C
National Farmers Union Std
State Comp Ins Fund Colorado

Englewood:
Colorado Casualty Ins Co
Continental Divide Ins Co
Guaranty National Ins Co
Landmark American Ins Co (Okla.)

CONNECTICUT

Bloomfield:
Connecticut General F & C

Farmington:
The Connecticut Indemnity Co
Design Professionals Ins Co (Cal.)
EBI Indemnity Company
EBI Insurance Company (Ore.)
Employee Benefits Ins Co (Cal.)
Employee Benefits Ins of IL (Ill.)
Fire & Casualty Ins Co of Ct
Orion Excess Insurance Co
Orion Group
Security Ins Co of Hartford
Security Lloyds Ins Co (Texas)
Security Reinsurance Company

Glastonbury:
Patrons Mutual Group of Ct
Patrons Mutual Ins Co of CT
Provision State Insurance Co
Royal Special Risks Ins Co
Royal Surplus Lines Ins Co

Greenwich:
W R Berkley Corp Group
Kramer Capital Group ( )
North American Co for P&C (N.Y.)

Hartford:
Aetna Casualty and Surety Co
Aetna Cas & Surety of Amer
Aetna Life & Casualty Grp
Aetna Life and Casualty Co
Automobile Insurance Company
Charter Oak Fire Ins Co
Constitution State Ins Co
Covenant Insurance Company
Covenant Mutual Insurance Co
Farmington Casualty Company
Hartford Accident & Indem Co
Hartford Casualty Ins Co (N.J.)

Hartford Fire Insurance Co
Hartford Ins Co of Ala (Ala.)
Hartford Ins Co Connecticut
Hartford Ins Co of Ill (Ill.)
Hartford Ins Co of Midwest (Ind.)
Hartford Ins of Southeast (Fla.)
Hartford Insurance Group
Hartford Steam Boiler I & I
New York Underwriters Ins (N.Y.)
Nippon Fire & Marine Ins (Japan)
Nutmeg Insurance Company
Phoenix General Insurance Co
Phoenix Insurance Company
Phoenix Mutual Life Group
Standard Fire Insurance Co
The Travelers Corp
Travelers Group
Travelers Indemnity Company
Travelers Indemnity Amer (Ga.)
Travelers Indemnity of RI (R.I.)
Twin City Fire Ins Co (Minn.)

Middletown:
Middlesex Mutual Assurance

Norwich:
New London County Mutual Ins
NLC Insurance Companies
Thames Insurance Company Inc

Simsbury:
ERIC Reinsurance Co (Del.)

Stamford:
American Independent Re (N.Y.)
Cologne Reinsurance of Amer
General Reinsurance Corp (Del.)
General Reinsurance Group (Del.)
General Star Indemnity Co
General Star Natl Ins Co (Ohio)
Lincoln National Reinsurance (Ind.)
National Reinsurance Corp (Del.)
Re Capital Reinsurance Corp (N.J.)

Westport:
Trenwick America Reins Corp

DELAWARE

Bear:
Manhattan Reinsurance Co

Smyrna:
International Underwriters
Vernon Insurance Group

Wilmington:
CIGNA Worldwide Ins Co
Clarendon America Ins Co
Excess Mutual Reinsurance
Farmers Mutual Ins Co of Del
Glens Falls Insurance Co
Guarantee Insurance Co
John Hancock Indemnity
Lincoln Insurance Company
London & American Ins Co (P.I.)
London Guar & Acc Co of NY
Marketforce Internatl Ins Co
New Castle Mutual Ins Co
Niagara Fire Insurance Co
Ranger Insurance Company
Scottish York Group
Traders & Pacific Ins Co

DISTRICT OF COLUMBIA

Washington:
AFIA Insurance Company, Inc.
Criterion Casualty Company (Md.)
Firemen's Insurance Co Wash
GEICO Corp Group
GEICO General Insurance Co (Iowa)
Government Employees Ins Co (Md.)
Hamilton Insurance Company
HOW Insurance Company (Del.)
National Capital Reciprocal
ULICO Casualty Company (Del.)

FLORIDA

Boca Raton:
Lumbermen's Underwriting (Mo.)
Universal Security Ins Co (Tenn.)

Bradenton:
Service Insurance Company

Clearwater:
American Federation Ins Co

Coral Gables:
International Bankers Ins Co

Fort Lauderdale:
Insurance Company of Florida

Gainesville:
Florida Farm Bureau Casualty
Florida Farm Bureau Mutual

Hallandale:
Regency Insurance Company

Jacksonville:
American Surety&Casualty Co
Carolina Casualty Ins Co
Dependable Insurance Company
Fortune Insurance Company
Herald Fire Insurance Co
Independent Fire Ins Co
Independent Life & Accident
Interstate Fire Ins Co (Tenn.)
Old Dominion Insurance Co
Thomas Jefferson Ins Co
Voyager Guaranty Ins Co
Voyager Property & Cas (S.C.)

Maitland:
Premier Insurance Company

Melbourne:
United Southern Assurance Co

Miami:
American Bankers Group
American Bankers Ins Co
American Risk Assurance Co
American United Ins Co
Capital Assurance Company
Financial Insurance Exch (Texas)
Ins Exchange of the Americas
Latin American P&C Ins Co
Orion Insurance Company
Southeast Title and Ins Co
Underwriters Guarantee Ins

Miami Beach:
General Insurance Company

Orlando:
Accredited Surety & Casualty
Florida International Ind Co
Hamburg International Re (Ger.)
International Indem Group

Ormond Beach:
American Hail Insurance Co (Minn.)
Oceanside Reinsurance Group
Ormond Reinsurance Company

Plantation:
Southeastern Cas & Indemnity
Southeastern Insurance Group
Southeastern Reinsurance Co

St. Petersburg:
Bankers Insurance Company
National Indemnity Co of Fla
T.H.E. Insurance Company (La.)

Tampa:
America First Insurance Co
First Southern Insurance Co
Progressive American Ins Co
Progressive Bayside Ins Co
Progressive Southeastern Ins
Republic Mtg Ins Co of Fl
Superior Insurance Company

GEORGIA

Athens:
Southern Mutual Insurance Co

Atlanta:
American Security Ins Co (Del.)
American Southern Ins Co
American Special Risk Ins (Del.)
American Specialty Ins Co
AMEV Holdings Group
Atlanta Group Inc (N.Y.)
Atlanta International Ins (N.Y.)
Cotton States Group
Cotton States Mutual Ins Co
Delta Fire & Casualty Ins Co

Fireman's Fund Ins Co of Ga
First General Insurance Co
Georgia American Ins Co
Georgia Casualty and Surety
MAG Mutual Insurance Company
River Oaks Inc
Shield Insurance Company
Southeastern Fidelity Ins Co
Standard Guaranty Ins Co (Del.)
United Capitol Insurance Co ( )

Augusta:
Alabama First Insurance Co (Ala.)
Fidelity Southern Ins Co (Texas)
First of Georgia Ins Co

Decatur:
International Indemnity Co

Folkston:
Primerica Group
Voyager Indemnity Ins Co

Gainesville:
Georgia Mutual Insurance Co

Griffin:
Middle Georgia Mutual Ins Co

Macon:
Georgia Farm Bureau Mutual
Southern Trust Insurance Co

Marietta:
Southern General Ins Co
Stone Mountain Insurance Co

Norcross:
Atlanta Casualty Company

Savannah:
Atlantic Mutual Fire Ins Co

HAWAII

Honolulu:
Commercial Union of Hawaii
Fireman's Fund Ins Co of HI
First Fire & Cas Ins of HI
First Indemnity Ins of HI
First Insurance Co of Hawaii
Hawaiian Insurance Group
Hawaiian Insurance & Guar Co
Hawaiian Underwriters Ins Co
Island Insurance Company Ltd
Island Insurance Group
Pacific Insurance Company
Sentinel Insurance Company
Tradewind Insurance Company
United National Insurance Co

IDAHO

Boise:
Associated Loggers Exchange
Idaho State Insurance Fund

Pocatello:
Farm Bureau Mutual of Idaho
Farm Bureau of Idaho Group
Farmers Ins Co of Idaho
Western Community Ins Co

ILLINOIS

Alton:
Millers General Group
Millers General Ins Co
Millers' Mut Ins Assn of Ill

Aurora:
Sentry Insurance of Illinois

Bannockburn:
MMI Companies Group
Multi-Medical Insurance Co

Bloomington:
Country Casualty Ins Co
Country Companies
Country Mutual Insurance Co
Governmental Interinsurance
Prairie State Farmers Ins
State Farm Fire and Casualty
State Farm General Ins Co
State Farm Group
State Farm Mutual Auto Ins
Union Automobile Indemnity
Union Insurance Group

Chicago:
American Business & Merc (Del.)
American Business & Merc RE (Del.)
American Casualty Company (Pa.)
American Country Ins Co
American Medical Assurance
American Treaty REassur Co (Del.)
Argonaut-Midwest Ins Co
Bankers Multiple Line Ins (Iowa)
BCS Insurance Company (Ohio)
Borg-Warner Group
Cameron General Group
Casualty Insurance Company
Chicago Insurance Company
Chicago Mutual Liability Co
CNA Casualty of California (Cal.)
CNA Insurance Companies
Columbia Casualty Company
Constitutional Casualty Co
Continental Casualty Company
Coronet Insurance Company
Delta Casualty Company
Financial Benefits Ins Co
Fuji Fire & Mar Ins Co Amer
Home Insurance Co of Ill
ICH Corp Group (Iowa)
Illinois Founders Ins Co
Illinois Insurance Company
Illinois Insurance Exchange
Illinois State Medical Exch
Illinois Union Insurance Co
INA Insurance Co of Illinois
Insurance Company of Ill
Inter Capital Assurance Co (Ariz.)
Intercontinental Ins Co
International Bus & Merc Re
International Insurance Co
International Surplus Lines
Interstate Fire & Casualty C
Interstate Indemnity Company
Lancer Insurance Company
Merit Insurance Company
Millers National Group ( )
Millers National Ins Co
National-Ben Franklin of Ill
National Fire Ins Hartford (Conn.)
National Surety Corporation
Old Republic Mtg Assur Co
Old Republic Mortgage Group
Reinsurance Co of America
Royal Ins Co of America
Safeway Insurance Company
St. Paul Insurance Co of Ill
State Security Insurance Co
Transcontinental Ins Co (N.Y.)
Transportation Insurance Co
Travelers Indemnity Co of IL
Underwriters Lloyd's London (Eng.)
United Casualty Ins of Am (Pa.)
Valley Forge Insurance Co (Pa.)
Virginia Surety Company, Inc
Wisconsin Lawyers Mutual Ins (Wisc.)

Decatur:
Federal Kemper Insurance Co

Des Plaines:
Chicago Motor Club Insurance
IMI Insurance Company
United Fire Insurance Co

Downers Grove:
Aetna Casualty & Surety Ill

Edwardsville:
Florists' Mutual Group
Florists' Insurance Company
Florists' Mutual Ins Co
Madison Mutual Insurance Co

Elmhurst:
Motor Vehicle Casualty Co
York Insurance Company

Evanston:
Evanston Group
Evanston Insurance Company
Insurance Co of Evanston

Freeport:
Economy Fire & Casualty Co

Economy Preferred Ins Co
Economy Premier Assurance Co
General Casualty Co of Ill
Reliance Insurance Co of Ill
Western States Insurance Co
Geneva:
American Live Stock Ins Co
Hoffman Estates:
SAFECO Insurance Co of Ill
Lincolnwood:
Allied American Insurance Co
United Equitable Casualty (Pa.)
United Equitable Grp
United Equitable Ins Co
Lisle:
American Mutual Reinsurance
Lombard:
Addison Farmers' Ins Co
Bond Safeguard Insurance Co
Long Grove:
American Mfrs Mutual Ins Co
American Motorists Ins Co
American Protection Ins Co
Kemper Group
Kemper Reinsurance Company
Lumbermens Mutual Cas Co
Moline:
John Deere Insurance Company
John Deere Insurance Group
Rock River Insurance Company
North Aurora:
Illinois Farmers Ins Co
Northbrook:
Allstate Indemnity Company
Allstate Insurance Company
Allstate Insurance Group
Allstate Prop & Cas Ins Co
American Ambassador Casualty
Oak Brook:
Illinois Emcasco Ins Co
Oak Park:
Industrial Fire & Cas Ins Co
River Forest Ins Co
Park Ridge:
American Agricultural Ins (Ind.)
Protection Mutual Ins Co
Pekin:
Farmers Automobile Ins Assn
Pekin Insurance Company
Pekin Insurance Group
Peoria:
American Capacity Ins Co
Great Central Insurance Co
Mt Hawley Insurance Co (Del.)
RLI Group
RLI Insurance Company
River Forest:
Canners Exchange Subscribers
Illinois Employers of Wausau
Warner Insurance Company
Rock Island:
Bituminous Casualty Corp
Bituminous Fire & Marine Ins
Illinois Casualty Company
Rockford:
Rockford Mutual Insurance Co
Rolling Meadows:
Ansvar America Insurance Co
Rosemont:
American Service Ins Co
Schaumburg:
American Guarantee & Liab (N.Y.)
American Zurich Insurance Co
Centaur Insurance Company
Forum Insurance Company
Harco National Ins Co (N.Y.)
Heartland Ins Co of America
John Hancock P&C Ins Co
Montgomery Ward Insurance Co
Oceanic Insurance & Surety (N.M.)
The Signature Group
Washington International (Ariz.)
Zurich American Ins Co Ill
Zurich Insurance Company (Switz.)
Zurich Ins Grp-U.S. (Switz.)
Skokie:
Prestige Casualty Company
South Barrington:
Northbrook Indemnity Company
Northbrook National Ins Co
Northbrook Prop & Cas Ins Co
Springfield:
Allegiance Insurance Company (Cal.)
Horace Mann Insurance Co (Fla.)
Illinois National Ins Co
Standard Mutual Insurance Co
Teachers Insurance Company (Del.)
Waukegan:
Statewide Insurance Company
Westchester:
National Excess Insurance Co (Cal.)

INDIANA

Carmel:
Home Insurance Co of Ind
Monroe Guaranty Insurance Co
Mt Airy Insurance Company
Evansville:
Yosemite Insurance Company (Cal.)
Fort Wayne:
Brotherhood Mutual Ins Co
Lincoln National Group
Lincoln Nat Hlth&Cas Co
Medical Protective Company
Indianapolis:
Aetna Ins Co of the Midwest
American Economy Ins Co
American Interinsurance Exch
American Preferred Ins Co
Amer Professionals Ins Co
American Signature Ins Co
American States Insurance Co
American States Ins Co of TX (Texas)
American States Lloyds Ins (Texas)
American Union Ins Co of NY (N.Y.)
Associated Insurance Cos Inc
Baldwin & Lyons Group
Companion Insurance Company
Consolidated Insurance Co
Continental American Ins Co
Grain Dealers Group
Grain Dealers Mutual Ins Co
Hoosier Insurance Co
Indiana Farm Bureau Group
Indiana Farmers Mut Ins Grp
Indiana Farmers Mutual Ins
Indiana Insurance Company
Indiana Lumbermens Mutual
Indiana Union Mutual Ins Co
Merchants Prop & Cas Ins Co
Merchants Property Ins Group
Merchants Property Ins Co
Meridian Mutual Group
Meridian Mutual Insurance Co
Meridian Security Ins Co
National Insurance Assoc
Physicians Ins Co of Indiana
Protective Insurance Company
Sagamore Insurance Co
St. Paul Indemnity Ins Co
Statesman Insurance Company
Town and Country Mutual Ins
UFB Casualty Ins Co
United Farm Bureau Mutual
Vernon Fire & Casualty Ins
Western Casualty & Surety Co (Kan.)
The Western Fire Ins Co (Kan.)
The Western Indemnity Co Inc (Kan.)
Indianpolis:
National Corporation Group
Noblesville:
Rockwood Insurance Co of Ind

IOWA

Algona:
Druggists Mutual Ins Co

Bettendorf:
Fireman's Fund Ins of IA
Motor Club of Iowa Ins Co
Cedar Rapids:
Mutual Fire and Auto Ins Co
Transunion Casualty Company
United Fire & Cas Group
United Fire & Casualty Co
United Surplus Lines Ins Co
Council Bluffs:
Redland Insurance Company
De Witt:
Iowa Mutual Insurance Co
Des Moines:
ALLIED Group
ALLIED Mutual Insurance Co
ALLIED Property & Cas Ins Co
AMCO Insurance Company
Dakota Fire Insurance Co (N.D.)
Depositors Ins Co
Diversified Insurers Co (Minn.)
EMC Reinsurance Company
EMCASCO Insurance Company
Employers Mutual Casualty Co
Employers Mutual Companies
Farmers Mutual Hail of Iowa
Farmland Mutual Insurance Co
Financial Security Assur IA
Hawkeye-Security Ins Co
IMT Insurance Co (Mutual)
Merchants Bonding Co (Mut)
National Ins Assn of Iowa
Nationwide Agribusiness Ins
Northeastern Insurance Co (Conn.)
Principal Casualty Ins Co
Square Deal Ins Co (Mutual)
State Automobile & Cas Undrs
State Automobile Ins Assn (Ind.)
Statesman Group
Union Mutual of Providence (R.I.)
United Security Ins Co (N.J.)
USLICO Corporation Group
DeWitt:
Iowa American Insurance Co
Iowa Mutual Group
Grinnell:
Grinnell Mutual Group
Grinnell Mutual Reinsurance
Grinnell Select Ins Co
Le Mars:
Le Mars Mutual Ins Co of Ia
We Will Companies
Urbandale:
Continental Western Casualty
Continental Western Ins Co
State Surety Company
West Des Moines:
Agri General Insurance Co
Farm & City Insurance Co
Farm Bureau Group of Iowa
Farm Bureau Mutual Ins Co
Farmers Casualty Co Mutual
Midwest Mutual Insurance Co
National Chiropractic Mutual
Preferred Abstainers Ins Co
Preferred Risk Group
Preferred Risk Mutual Ins Co
Utah Farm Bureau Insurance (Utah)

KANSAS

Bremen:
Bremen Farmers' Mutual Ins
Chapman:
Upland Mutual Insurance Inc
Cimarron:
Central States Ins Co, Inc
Cimarron Group
Cimarron Insurance Company
Plains Insurance Company
Wheat Growers Ins Group
Wheat Growers Mut Hail Ins
Fort Leavenworth:
Armed Forces Co-Op Ins Assn
Armed Forces Group
Hutchinson:
Town and Country Fire & Cas
Lenexa:
Federated Rural Electric Ins
Manhattan:
Farm Bureau Mutual Ins Co
Kansas Farm Bureau Group
KFB Insurance Company, Inc.
Marysville:
Marysville Mutual Ins Co
McPherson:
Alliance Insurance Companies
Alliance Insurance Co Inc
Farmers Alliance Mutual Ins
Yukon Indemnity Company (Okla.)
Olathe:
Patrons Mutual Ins Assn
Overland Park:
Employers Re Group (Mo.)
Employers Reinsurance Corp (Mo.)
First Excess & Reinsurance (Mo.)
Puritan Excess & Surp Lines (Conn.)
Puritan Insurance Company (Conn.)
Savers Property & Casualty I (Mo.)
Victory Reinsurance Amer (Del.)
Salina:
Great Plains Mutual Ins Co
Shawnee Mission:
Atlas Insurance Co (Mo.)
Farmers Insurance Company
Topeka:
Armed Forces Ins Ex
Kansas Bankers Surety Co
Kansas Fire & Casualty Co
Kansas Mutual Insurance Co
West General Insurance Co

KENTUCKY

Lexington:
Agway Indemnity Ins Co
Hurst Home Insurance Co Inc
Kentucky Central Group
Kentucky Central Ins Co
Kentucky Growers Ins Co
Kentucky National Ins Co
Louisville:
Capital Enterprise Ins Co
Capital Landmark Ins Co
The FB Insurance Company
Health Care Indemnity Inc (Colo.)
Kentucky Farm Bureau Group
Kentucky Farm Bureau Mutual
Kentucky Insurance Company
Kentucky Medical Ins Co
Lincoln Fire & Casualty Ins
National Trust Fire Ins Co ( )
Paradigm Insurance Co (Ind.)

LOUISIANA

Baton Rouge:
Audubon Indemnity Company (Miss.)
Audubon Insurance Company
Champion Insurance Company
Louisiana Farm Bureau Cas
Louisiana Farm Bureau Mutual
Protective Casualty Ins Co (Mo.)
Union National Fire Ins Co
Bossier City:
Louisiana Indemnity Company
Mid-American Capital Group
Mid-American Casualty Co
Mid-American Indemnity Co (Okla.)
Bunkie:
South Central Insurance Co
Covington:
Old Hickory Cas Ins Co
Metairie:
Adriatic Insurance Company (Del.)
Fireman's Fund Ins Co of La
The Gray Insurance Company
Louisiana Medical Mutual Ins
New Orleans:
Americas Insurance Company (Fla.)
Lafayette Insurance Company

Ocean Marine Indemnity Co

MAINE

Auburn:
Patrons Oxford Mutual Ins Co
State Mutual Insurance Co
Portland:
American Colonial Ins Co (N.Y.)
Maine Bonding & Casualty Co
North East Insurance Company
North East Insurance Group
Presque Isle:
Maine Mutual Fire Ins Co
Saco:
Mutual Fire Insurance Co
Westbrook:
York Mutual Ins Co of Maine

MARYLAND

Baltimore:
American Credit Indemnity (N.Y.)
American General Group
Assurance Co of America (N.Y.)
Baltimore Equitable Society
Fidelity and Deposit Company
Fidelity and Deposit of Md
Fidelity and Guaranty Ins (Iowa)
Fidelity and Guar Ins Undrs (Ohio)
Fidelity & Deposit Group
Maryland Casualty Company
Monumental General Cas Co
Northern Insurance Co of NY (N.Y.)
Steadfast Insurance Co (Del.)
United States Fid Guar Group
United States Fid & Guar Co
Valiant Insurance Company (Iowa)
Bel Air:
Harford Mutual Insurance Co
Chevy Chase:
GEICO Indemnity Company
Frederick:
AVEMCO Insurance Company
Mutual Ins Co Frederick Co
Gaithersburg:
Bankers Independent Ins Co
Hagerstown:
Brethren Mutual Insurance Co
Middletown:
Grangers Mutual Insurance Co
Salisbury:
The Peninsula Insurance Co
Sandy Spring:
Montgomery Mutual Ins Co
Towson:
Maryland State Accident Fund
Medical Mutual Liab Ins Grp
Medical Mutual Liability Ins
Mid-Atlantic Medical Ins Co

MASSACHUSETTS

Abington:
Abington Mutual Group
Abington Mutual Fire Ins Co
Andover:
Andover Group
Bay State Insurance Company
Cambridge Mutual Fire Ins Co
Merrimack Mutual Fire Ins Co
Attleboro:
Attleboro Mutual Fire Ins Co
Boston:
American Central Ins Co (Mo.)
American Employers' Ins Co
Commercial Union Ins Co
Commercial Union Ins Cos
CU Homeland Insurance Co
Employers' Fire Insurance Co
First State Insurance Co (Del.)
Hanseco Insurance Company (Del.)
John Hancock Group ( )
John Hancock Reinsurance Co (Del.)
Lexington Insurance Co (Del.)
Liberty Insurance Corp
Liberty Mutual Fire Ins Co
Liberty Mutual Insurance Cos
Liberty Mutual Insurance Co
New England Insurance Co
New England Reinsurance Corp (Conn.)
Northern Assurance of Amer (Vt.)
Plymouth Rock Assurance Corp
Safety Insurance Company
Concord:
Middlesex Insurance Company
Patriot General Insurance Co
Dedham:
Norfolk and Dedham Grp
Norfolk & Dedham Mutual Fire
West Newbury Mutual Fire Ins
Fitchburg:
Fitchburg Mutual Ins Co
Framingham:
Lumber Insurance Companies
Lumber Mutual Insurance Co
North American Lumber Ins Co
Seaco Insurance Company
Hingham:
Hingham Mutual Fire Ins Co
Lynn:
Electric Insurance Company
Electric Mutual Group
Electric Mutual Liability
Newton:
Arrow Mutual Liability Ins
Pittsfield:
Berkshire Mutual Group
Berkshire Mutual Ins Co
Mutual Ins Co Burlington (Vt.)
Quincy:
Dorchester Mutual Fire Ins
Quincy Mutual Fire Ins Co
Salem:
Holyoke Mutual Insurance Co
Wakefield:
American Mutual of Boston
American Mutual Liability Gp
American Mutual Liability
American Policyholders' Ins
Waltham:
Arkwright Insurance Co
Arkwright Insurance Group
Arkwright Mutual Ins Co
Boston Old Colony Ins Co
Webster:
Citation Insurance Company
Commerce Group Inc
Commerce Insurance Company
Worcester:
California Comp & Fire Co (Cal.)
Hanover Insurance Company (N.H.)
Hanover Insurance Cos
Hanover Lloyd's Ins Co (Texas)
Massachusetts Bay Ins Co
Worcester Insurance Company
Yarmouth Port:
Barnstable County Ins Co
Barnstable County Mut Fire
Barnstable Group

MICHIGAN

Battle Creek:
Transamerica Ins Co of Mich
Transamerica Ins Corp of Amer
Birmingham:
Michigan Educational Emp Mut
Charlotte:
Century Mutual Insurance Co
Dearborn:
American Renaissance Ins Co ( )
American Road Insurance Co
Auto Club Group Insurance Co
Auto Club Insurance Assn
Automobile Club of Mich Grou
Castle Insurance Company
Ford Motor Insurance Group
Parklane Insurance Company
Vista Insurance Company

Detroit:
Amerisure Companies
Amerisure Insurance Co
CIM Insurance Corporation (N.Y.)
MIC General Insurance Corp (Ind.)
MIC Property & Casualty Ins
Michigan Mutual Insurance Co
Motors Insurance Corp (N.Y.)
Motors Insurance Group (N.Y.)
Dowagiac:
Wolverine Mutual Ins Co
East Lansing:
Michigan Physicians Mut Liab
Farmington Hills:
Alexander Hamilton Insurance (Ill.)
Cadillac Insurance Company
Flint:
Pioneer State Mutual Ins Co
Frankenmuth:
Frankenmuth Mutual Ins Co
Fremont:
Fremont Mutual Group
Fremont Mutual Insurance Co
Grand Rapids:
American Commercial Liab Ins
American Freedom Ins Co
Foremost Corp Group
Foremost Guaranty Corp
Foremost Insurance Company
Sentry Insurance of Michigan
Hastings:
Hastings Mutual Insurance Co
Howell:
Citizens Ins Co of America
Lansing:
Auto-Owners Group
Auto-Owners Insurance Co
Farm Bureau General Ins Co
Farm Bureau Mutual of Mich
Home-Owners Ins Co
Michigan Farm Bureau Group
Michigan Hospital Assoc Mut
Michigan Millers Mutual Ins
Accident Fund of Michigan
Owners Insurance Company (Ohio)
Property-Owners Ins Co (Ind.)
Lapeer:
State Mutual Insurance Co
Livonia:
Michigan Cat Claims Assn
Marshall:
Southern Michigan Mutual Ins
Midland:
Dorinco Reinsurance Company
Okemos:
Physicians Ins Co of Mich
Southfield:
American Fellowship Mutual
League General Insurance Co
Star Insurance Company
Traverse City:
Lake States Ins Co
Troy:
Chrysler Insurance Company
Lincoln Mutual Casualty Co

MINNESOTA

Arden Hills:
Modern Service Insurance Co
Mutual Service Casualty Ins
Cottonwood:
North Star Mutual ins Co
Esko:
Reinsurance Assn of Minn
Luverne:
Tri-State Insurance Co of MN
Minneapolis:
American Hardware Ins Group
American Hardware Mutual Ins
American Merchants Cas Co
Austin Mutual Group
Austin Mutual Insurance Co
Farmers Home Group ( )
Gold Medal Insurance Co
Minnesota Medical Ins Exch
NWNL General Insurance Co
NWNL Insurance Group
NWNL Reinsurance Company
Retail Lumbermen's Exchange
State Fund Mutual Ins Co
Western National Assurance (Wash.)
Western National Mut Grp
Western National Mutual Ins
Minnetonka:
American Loyalty Ins Co
Cargill Reinsurance Co
Midwest Family Mutual Ins
Minnesota Mutual Fire & Cas
Owatonna:
Federated Mutual Group
Federated Mutual Ins Co
Federated Service Ins Co
Red Wing:
Citizens Fund Insurance Co.
Citizens Security Group, Inc
Citizens Security Mutual Ins
Richfield:
Farmers Home Mutual Ins Co
Gopher State Mutual Ins Co
Pioneer Insurance Company
Western Home Insurance Co
St. Paul:
All Nation Insurance Company
Athena Assurance Company
Workers' Comp Reins Assoc
Mutual Service Ins Group
Northfield Insurance Company (Del.)
Northland Casualty Company (Cal.)
Northland Group
Northland Insurance Company
Ramsey Insurance Company
St. Paul Fire & Marine Ins
St. Paul Group
St. Paul Guardian Ins Co
St. Paul Mercury Ins Co
St. Paul Surplus Lines Ins (Del.)
Waseca:
Waseca Mutual Insurance Co

MISSISSIPPI

Jackson:
Andrew Jackson Casualty Ins
Mississippi Farm Bureau Cas
Mississippi Farm Bureau Mut
National General F&C Ins Co
Old Republic Mercantile Ins
Progressive Gulf Ins Co
Sierra Internat'l RE Ins Co
Southern Farm Bureau Cas Grp
Southern Farm Bureau Cas
Upper Peninsula Ins Co
Wexford General Ins Co

MISSOURI

Alma:
Lutheran Benevolent Ins Exch
Cameron:
Cameron Mutual Insurance Co
Clayton:
Kansas City Fire & Marine
Colombia:
Shelter Reinsurance Company
Columbia:
Columbia Mutual Casualty Ins
Columbia Mutual Group
Columbia Mutual Insurance Co
Farmers Mutual Hail of Mo
Shelter General Insurance Co
Shelter Insurance Companies
Shelter Mutual Insurance Co
Creve Coeur:
American Automobile Ins Co
Fenton:
Vanliner Insurance Company (Ariz.)
Hazelwood:
National General Assur Co
National General Ins Co

Jackson:
Citizens Mutual Insurance Co
Jefferson City:
Casualty Indemnity Exchange
Farm Bureau Town & Country
Hospital Services Group
Missouri Hospital Plan
Missouri Prof Liab Ins Assn
Providers Insurance Company
Kansas City:
American Continental Ins Co
American First Insurance Co
Casualty Reciprocal Exchange
Commonwealth General Ins Co
Commonwealth General Ins Grp
Dodson Insurance Group
Equity Mutual Insurance Co
First American Companies
First American Insurance Co
Frankona Reins Co US Branch (Ger.)
Heart of America F & C Co
Legion Financial Group
The Ohio General Ins Co ( )
Reciprocal Exchange
Traders Insurance Company
Universal Underwriters Ins
North Kansas City:
Country Preferred Ins Co
Springfield:
American Natl Finascial Gp
American National General
American National P & C Co
St. Louis:
Automobile Club Inter-Ins Ex
AVEMCO Group
ITT Lyndon Property Ins Co
Missouri Medical Ins Co
National Casualty Company (Mich.)
National Fire and Indem Exch
National Ins Underwriters
Safety Mutual Casualty Corp
United Financial Cas Co
Webster Groves:
Capitol County Group
Old Reliable Casualty Co

MONTANA

Great Falls:
Farmers Union Mutual Ins Co
Helena:
State Comp Ins Fund MT

NEBRASKA

Battle Creek:
Battle Creek Mutual Ins Co
Lincoln:
Farm Bureau Ins Co of Neb
Farmers Mutual Ins Co of Neb
Inland Insurance Company
Union Insurance Company
Universal Surety Company
Universal Surety Group
Omaha:
Acceptance Insurance Company
Berkshire Hathaway Inc Group
Catholic Relief Insurance Co
Central National Ins Co
Central States Indemnity Co
Columbia Insurance Company
Commercial Risk Undrwrs Ins
Cornhusker Casualty Company
Empire Fire & Marine Ins Co
Empire Indemnity Ins Co (Okla.)
Farmers Union Co-Op Ins Co
Global Surety & Insurance Co
Great Plains Insurance Co
Home & Automobile Ins Co (Ill.)
Hospital Mutual Insurance Co
Imperial Casualty & Indem Co
Medical Liability Mutual Ins
Motor Club Insurance Assn
Mutual of Omaha Group (Wisc.)
Mutual Protective Ins Co
National American Ins Co NE
National Fire and Marine Ins
National Indemnity Company
National Indemnity of MN (Minn.)
The Omaha Indemnity Co (Wisc.)
Omaha Property & Casualty (Del.)
Peter Kiewit Sons', Inc.
Professional Group
Protective National Ins Co
St. Paul Property & Cas Ins
Universal of Omaha Cas Ins
Wesco-Financial Insurance Co
South Sioux City:
Great West Casualty Company

NEVADA

Carson City:
State Industrial Ins System
Reno:
Tahoe Insurance Company

NEW HAMPSHIRE

Concord:
The Capital Fire Ins. Co
Concord General Mutual Ins
Concord Group Insurance Cos ( )
Continental Insurance Co
Fidelity & Casualty Co of NY
Manufacturers & Merchants Gr
Manufacturers & Merch Mut
Phenix Mutual Fire Ins Co
Phoenix Assurance Co of NY
Phoenix of London Group ( )
Keene:
National Grange Mutual Group
National Grange Mutual Ins
Nationale-Nederlanden Grp
Netherlands Insurance Co
Peerless Insurance Company
Presidential Prop&Cas Ins Co
Manchester:
American Fidelity Company (Vt.)
American Global Insurance Co
Granite State Insurance Co
New Hampshire Indemnity Co
New Hampshire Insurance Co
North American Specialty
Rochester:
Grange Mutual Insurance Co

NEW JERSEY

Basking Ridge:
Westchester Fire Ins Co (N.Y.)
Bedminster:
Seaboard Surety Company (N.Y.)
Branchville:
Fidelity Mohawk Insurance Co
FMI Insurance Company
Franklin Mutual Group
Franklin Mutual Insurance Co
Selective Ins Co of America
Selective Insurance Group
Selective Way Insurance Co
Bridgeton:
Cumberland Insurance Company
Cumberland Mutual Fire Group
Cumberland Mutual Fire Ins
Chatham:
New Zealand Insurance Co (Cal.)
New Zealand Reins Co Amer (Cal.)
Cherry Hill:
Admiral Insurance Company (Del.)
Cranford:
IFA Insurance Company
Holmdel:
Prudential Commercial Ins Co (Del.)
Prudential General Ins Co (Del.)
Prudential of Amer P&C Group
The Prudential P&C Ins Co NJ
Prudential Property and Cas (Ind.)
Lawrenceville:
American Reliance Cas Co
American Reliance Group
American Reliance Ins Co

Medical Inter-Ins Exch of NJ
Livingston:
Commercial Ins Co Newark
Firemen's Ins Co of Newark
NJ Auto Full Ins Undr Assn
Southeastern Cas & Indem NJ
Morristown:
Bakers Insurance Company
Baltica-Skandinavia Reinsur (N.Y.)
Crum and Forster Ins Co
Crum and Forster ins cos
Mercantile & Gen Re Amer (N.Y.)
North River Insurance Co
Signet Reinsurance Company (Neb.)
Toe-Re Ins Co of America (Del.)
United States Fire Ins Co (N.Y.)
Warwick Group
Warwick Insurance Company
Newark:
Dryden Guaranty Insurance Co (Ariz.)
Gibraltar Casualty Company (Del.)
International Fidelity Ins
Motor Club Fire & Casualty
Motor Club of America Group
Motor Club of America Ins Co
Prudential Reinsurance Co (Del.)
Newton:
Sussex Mutual Insurance Co
Nutley:
Universal Bonding Ins Co
Parsippany:
Fireman's Fund Indem Corp
Fireman's Fund Ins of NJ
North Star Reinsurance Corp. (Del.)
Peapack:
American Centennial Ins Co (Del.)
Beneficial Insurance Group
Central Lloyds (Texas)
RCK Holdings, Ltd. (Del.)
Wesco Insurance Company (N.M.)
Pennington:
Mercer Insurance Company
Mercer Mutual Group
Mercer Mutual Insurance Co
Piscataway:
Continental Ins Co of NJ
Federated Reinsurance Corp (N.Y.)
Mayflower Insurance Co (Ind.)
Princeton:
Health Care Group
Health Care Insurance Exch
Princeton Insurance Company
Ramsey:
Chesapeake Casualty Co (Del.)
Investors Ins Co of America
Investors Insurance Group
Stratford Insurance Co (N.H.)
Tudor Insurance Company (N.H.)
Westco Insurance Group (N.H.)
Western World Insurance Co (N.H.)
Salem:
Farmers Mutual Fire of Salem
Farmers Mut of Salem Group
Salem Insurance Company
Thorofare:
Thorofare Holding Corp
Warren:
Chubb Custom Insurance Co (Del.)
Chubb Group of Ins Companies
Chubb Insurance Co of NJ
Federal Insurance Company
GAN Anglo-American Ins Co (N.Y.)
Great Northern Ins Co (Minn.)
Pacific Indemnity Company (Cal.)
Sun Insurance Office Ltd (Eng.)
Vesta American Ins Co Ine (N.Y.)
West Orange:
First Indemnity of America
Rutgers Casualty Ins Co
West Trenton:
N. J. Manufacturers Group
New Jersey Manufacturers Ins
New Jersey Re-Insurance Co

NEW MEXICO

Albuquerque:
Mountain States Mutual Cas
Las Cruces:
Western Farm Bureau Mutual
Las Vegas:
Foundation Reserve Ins Co
Lloyds of New Mexico Group
Lloyds of New Mexico Ins Co

NEW YORK

Albany:
Hospital Underwriters Mutual
Binghamton:
Home Mutual Ins Binghamton
Brooklyn:
Eveready Insurance Company
Buffalo:
Exchange Insurance Co
First Security Ins Corp
Merchants Ins Co of NH (N.H.)
Merchants Insurance Group
Merchants Mutual Ins Co
Burlington Flats:
Otsego Mutual Fire Ins Co
Catskill:
Commercial Mutual Ins Co
Cobleskill:
Sterling Insurance Company
Delmar:
Guilderland Mutual Reins Co
East Syracuse:
Agway Insurance Co
Edmeston:
New York Central Mutual Fire
Glenmont:
Farm Family Mutual Ins Co
Great Neck:
State-Wide Insurance Company
Greenville:
Pioneer Insurance Company
Ithaca:
Security Mutual Insurance Co
Kingston:
Colonial Cooperative Ins Co
Colonial Indemnity Ins Co
Kingston Holding Group
Lynbrook:
Eagle Insurance Company (N.J.)
First Central Insurance Co
Manhasset:
Physicians Recip Insurers
Mineola:
Interboro Mutual Indemnity
Monticello:
Frontier Insurance Company
New Berlin:
Preferred Mutual Ins Co
New Hartford:
Graphic Arts Mutual Ins Co
Utica Mutual Insurance Co
Utica National Ins Group
Utica National Ins Co of DE
New York:
Abeille-Paix General Ins (Fr.)
Abeille-Paix Reassurances (Fr.)
AEGON Reinsurance Co of Amer
AGF Reinsurance Corp of US
AIU Insurance Company
Albany Insurance Company ( )
Alicity Insurance Company
Alliance Assurance Co Ltd (Eng.)
American-European Reins Co (Del.)
American Home Assurance Co
American International Group
American International Ins C
American Overseas Reins Co (Pa.)
American Re-Insurance Co (Del.)
American Steamship Owners
American Transit Ins Co
The Atlantic Mutual Cos.
Atlantic Mutual Insurance Co
Atlantic Reinsurance Co
Atlas Assurance of America

Baloise Insurance Co of Amer
Belvedere America Reins Co (Del.)
Birmingham Fire Ins Co (Pa.)
Bond Investors Guaranty Ins (Ill.)
Caledonian Insurance Co (Eng.)
Calvert Insurance Company (Pa.)
Canadian Union Ins Co USB (Can.)
CanAm Reinsurance Inc (Del.)
Centennial Insurance Company
Chiyoda Fire & Marine Ins (Japan)
Church Insurance Company
City Insurance Company (N.J.)
Clarendon National Ins Co (Md.)
Colonia Insurance Company (Ger.)
Commerce and Industry Ins Co
Constitution Reinsurance
Continental Insurance Cos
Continental Reinsurance (Cal.)
Copenhagen Reinsurance Amer
Country-Wide Insurance Co
Empire Insurance Group
Empire Mutual Insurance Co
Executive Insurance Company
Financial Guaranty Ins Co
Financial Security Assur Gr
Financial Security Assur Inc
Finmar Re Insurance Company (Ky.)
First Reinsurance Hartford (Conn.)
Folksamerica Reinsurance Co
Galaxy Insurance Company
Gamma Reinsurance Company (Del.)
General Ins Trieste & Venice (Italy)
General Security Assurance
Gerling America Insurance Co
Gerling Global Reinsurance (Ger.)
Gerling Group
GRE of America Corp Group
Great Atlantic Ins Co (Del.)
Great Atlantic National Ins (Ga.)
Great Lakes Reinsurance Co (Can.)
Greater New York Group
Greater New York Mutual Ins
Group Council Mutual Ins Co
Hansa Marine Insurance Co (Swed.)
Home Indemnity Company (N.H.)
The Home Insurance Company (N.H.)
Home Insurance Group
Hudson Insurance Company (Del.)
Insurance Co of Greater NY
Insurance Company of Pa (Pa.)
Interamerica Reinsurance
Jefferson Insurance Co of NY
Jefferson Insurance Group
Le Mans Group
Le Mans Reinsurance Co. USA
Lloyds, New York
The London Assurance (Eng.)
Marine Indemnity Ins America
McGee Group ( )
Medical Liability Mutual Ins
Metropolitan Reinsurance (Del.)
Midland Property & Casualty
Monticello Insurance Co (Del.)
MONY Reinsurance Corporation (Del.)
Munich American Reinsurance
Munich Reinsurance Company (Ger.)
Munich Reinsurance Group (Ger.)
National American Ins of NY
National Union Fire Ins Co (Pa.)
Navigators Insurance Company
New York Insurance Exchange
New York Marine And General
New York State Ins Fund
Nichido Fire & Marine (Japan)
Nissan Fire & Marine Ins (Japan)
Nordic Union Reinsurance (Del.)
North American Reinsurance
Paladin Reinsurance Corp
Paramount Insurance Company
Phoenix Reinsurance Company (Conn.)
Pohjola America Reinsurance
The Preserver Assurance Co
Public Service Mutual Group
Public Service Mutual Ins Co
Putnam Reinsurance Company
Reinsurance Corp of NY Group
Reinsurance Corp of NY
Resolute Reinsurance Company
Rochdale Insurance Company
Royal Exchange Assur of Amer
Scor Reinsurance Company
Scor US Group
The Sea Insurance Co Ltd (Eng.)
Seneca Insurance Company
Simcoe & Erie General Ins (Can.)
Sirius Reinsurance Corp (Del.)
Skandia America Group (Del.)
Skandia America Reinsurance (Del.)
Southwest International Re
Stewart Wrightson Group (Del.)
Sumitomo Marine and Fire (Japan)
Sun Insurance Co of NY
Swiss Reinsurance Company (Switz.)
Swiss Reinsurance Group (Switz.)
Taisho Marine & Fire Ins (Japan)
Tokio Marine & Fire Group
Tokio Marine and Fire Ins (Japan)
Trans Pacific Insurance Co
Transamerica Ins Co of NY
Transatlantic Reinsurance Co
Trygg-Hansa Insurance Group (Swed.)
Union and Phenix Espanol (Spain)
Unione Italiana Reins of Am
United Americas Insurance Co
United Community Ins Co
United Reinsurance Corp of N
Unity Fire & General Ins Co
Unity Group
US International Reins Co (N.H.)
Utilities Mutual Ins Co
Vigilant Insurance Company
Winterthur Swiss Group (Texas)
Winterthur Swiss Ins Co (Switz.)
Yasuda Fire & Mar of America
Yorktown Indemnity Company (Ill.)

Norwich:
Chenango Mutual Insurance Co

Rochester:
Bausch & Lomb Insurance Co

Sand Lake:
Capital Mutual Insurance Co

Syracuse:
Excelsior Insurance Company

Tarrytown:
Christiania General Ins Corp
Hansa Reinsurance Co America
Zurich Reinsurance Co of NY

Valley Stream:
North Sea Insurance Company

Watertown:
New York Casualty Ins Co

White Plains:
MBIA Group (Conn.)
MBIA Incorporated (Conn.)
Municipal Bond Investors

Whitestown:
Utica Fire Ins Co of Oneida

Woodridge:
Associated Mutual Ins Co

NORTH CAROLINA

Burlington:
Bankers and Shippers Ins (N.Y.)
Burlington Ins Co
Burlington Ins Group
First Financial Insurance Co (Ill.)

Charlotte:
American and Foreign Ins (Del.)
Globe Indemnity Company (Del.)
Newark Insurance Company (N.J.)
Royal Indemnity Company (Del.)
The Royal Insurance Group
Safeguard Insurance Co (Conn.)
Selective Ins Co of SC (S.C.)
Selective Ins Co Southeast
Star Insurance Company

Durham:
Home Security Fire & Cas (S.C.)
Goldsboro:
Atlantic Casualty Insurance
Greensboro:
Jefferson Pilot Corp Group
Jefferson-Pilot F & C Co
Jefferson-Pilot Prop Ins Co
Southern Fire & Casualty (Tenn.)
Kinston:
Interstate Casualty Ins Co
Raleigh:
American Guaranty Ins Co
Lawyers Mutual Liability Ins
McM Corp Group
Medical Mutual Ins Co of NC
North Carolina Farm Bur Mut
Occidental Fire & Cas of NC
State Capital Insurance Co
Voyager Protection Insurance
Wilshire Insurance Company
Winston-Salem:
Integon Corp Group
Integon General Ins Corp
Integon Indemnity Corp
New South Insurance Company
Republic Mtg Ins Co
Universal Insurance Company

NORTH DAKOTA

Bismarck:
North Dakota Work Comp Bur
Fargo:
Dawson Hail Insurance Co
Nodak Mutual Insurance Co
St. Paul Insurance Co of ND
Grand Forks:
American West Ins Co
Jamestown:
Farmers Union Mutual Ins Co
Rugby:
Center Mutual Insurance Co

OHIO

Beachwood:
Halcyon Insurance Company
National Continental Ins Co (N.Y.)
Progressive Casualty Ins Co
Progressive Insurance Group
Progressive Specialty Ins Co
Bucyrus:
United Ohio Insurance Co
Celina:
Celina Group
Celina Mutual Insurance Co
First National Indemnity Co
National Mutual Insurance Co
Patrons Mutual Insurance Co
Republic Mutual Insurance Co
Cincinnati:
Agricultural Fire & Surp (Del.)
Agricultural Insurance Co (S.D.)
American Alliance Ins Co (Ariz.)
American Empire Insurance Co
American Empire Surplus Line (Del.)
American Family Home Ins Co (Fla.)
American Financial Ins Group
American Modern Home Group
American Modern Home Ins Co
American Modern Lloyds Ins (Texas)
American National Fire Ins (N.Y.)
American Southern Home Ins (Fla.)
American Western Home Ins (Okla.)
Cincinnati Equitable Ins Co
Crum & Forster Underwriters
Fireman's Fund Ins Co of Oh
Great American Insurance Co
Great American Lloyd's Ins (Texas)
Hamilton Mutual Insurance Co
Universal Reinsurance Corp (N.J.)
Cleveland:
PIE Mutual Insurance Company
Reliable Insurance Company
Victoria Fire & Cas Co
Columbus:
Automobile Club Insurance Co
Buckeye Union Insurance Co
Century Surety Company
Farmers Ins of Columbus, Inc
Grange Mutual Casualty Co
MICO Insurance Company
Motorists Mutual Group
Motorists Mutual Ins Co
Nationwide General Ins Co
Nationwide Group
Nationwide Indemnity Ins Co
Nationwide Mutual Fire Ins
Nationwide Mutual Ins Co
Nationwide Prop & Cas Ins Co
Ohio Bar Liability Ins Co
Ohio Hospital Insurance Co
Ohio State Insurance Fund
Personal Service Ins Co
Republic-Franklin Ins Co
Save-T-Risk Insurance Co
Service General Insurance Co
State Auto Mutual Group
State Automobile Mutual Ins
Covington:
Buckeye State Mutual Ins Co
Dayton:
Mead Reinsurance Corp (Ill.)
Dublin:
Acceleration National Ins Co
Fairfield:
Cincinnati Casualty Company
Cincinnati Financial Corp.
Cincinnati Insurance Co
Hamilton:
American Fire & Casualty (Fla.)
Ohio Casualty Group
Ohio Casualty Insurance Co
Ohio Security Insurance Co
West American Insurance Co (Cal.)
Independence:
Leader National Insurance Co
Lakewood:
INA Insurance Co of Ohio
Mansfield:
Insurance Company of Ohio
Pru-LMI Commercial Ins Co
Maumee:
Summit Fidelity & Surety Co
Mayfield Village:
Progressive Mutual Ins Co
Progressive Preferred Ins Co
Milford:
Globe American Casualty Co
Mid-American Fire & Casualty
Midwestern Indemnity Company
Newark:
Ohio State Grange Mutual Ins
Pickerington:
Physicians Ins Co of Ohio
Professionals Insurance Co
Seven Hills:
Factory Mutual Insurance Co
Shelby:
Affirmative Insurance Co
Insura Property & Cas Ins Co
Shelby Group
Shelby Insurance Company
Springfield:
Credit General Insurance Co
Upper Arlington:
Dealers Assurance Company
Van Wert:
All America Insurance Co
Central Mutual Insurance Co
Central Mutual (Ohio) Group
Westerville:
American Select Insurance Co
Beacon Ins Co of America
J C Penney Casualty Ins Co
Oil & Gas Insurance Company
Westfield Center:
Ohio Farmers Insurance Co
Westfield Companies

Westfield Insurance Company
Westfield National Ins Co
Wooster:
Lightning Rod Mutual Ins Co
Wayne Mutual Insurance Co
Western Reserve Group
Western Reserve Mutual Cas

OKLAHOMA

Chandler:
National American Ins Co (Neb.)
Oklahoma City:
AgSecurity Insurance Co
American Deposit Ins Co
American Fidelity Ins Co
Comco Insurance Company (Texas)
Financial Security Assur OK
Oklahoma Farm Bureau Group
Oklahoma Farm Bureau Mutual
State Ins Fund OK
Tulsa:
Farmers and Merchants Ins Co
Legion Casualty Company
Mid-Continent Casualty Co
Midwestern Insurance Company
Minnehoma Insurance Co (Ariz.)
Oklahoma Surety Company
Thurston Fire & Casualty Ins
Tri-State Insurance Company
Westherford:
Ins Co of the Prairie States (Texas)

OREGON

Beaverton:
Bonneville Automobile Ins Co
McMinnville:
Oregon Mutual Insurance Co
Portland:
Liberty Northwest Ins Corp
North Pacific Insurance Co
Northwestern Pacific Ind Co
Oregon Automobile Ins Co
Salem:
Loggers' Assurance Company
Northwest Farm Bureau Ins Co
Pinnacle Insurance Co
SAIF Corporation
SAIF Corporation of Oregon
SAIF Group
Tigard:
Farmers Insurance Co of Ore

PENNSYLVANIA

Akron:
Mennonite Indemnity Inc
Boyertown:
Boyertown Mutual Ins Co
Cleona:
Lebanon Mutual Insurance Co
Coatesville:
Chester County Mutual Ins Co
Doylestown:
White Hall Mutual Ins Co
Elizabethtown:
Farmers Mutual Ins Co
Emmaus:
Home Mutual Ins Co of PA
Ephrata:
Eastern Shore VA Fire Ins (Va.)
Windsor Mount Joy Group
Windsor-Mount Joy Mutual Ins
Erie:
Erie Insurance Company
Erie Insurance Exchange
Erie Insurance Group
Everett:
Everett Cash Mutual Ins Co
Gettysburg:
Lincoln General Insurance Co
Greensburg:
Old Republic Group
Old Republic Insurance Co
Hanover:
Paradise Mutual Insurance Co
Harleysville:
Harleysville Insurance Cos
Harleysville Ins Co of NJ (N.J.)
Harleysville Mutual Ins Co
Huron Insurance Company
Harrisburg:
Aegis Security Insurance Co
Dauphin Mutual Insurance Co
Merchants & Bus Men's Mutual
Millers Mutual Insurance Co
Paxton National Insurance Co
Pennsylvania Natl Mutual Cas
Remco Insurance Company (Del.)
Hatboro:
Penn-America Insurance Co
Huntingdon:
Mutual Benefit Insurance Co
Johnstown:
Guardian Underwriters Ins Co
King of Prussia:
Mount Vernon Fire Ins Co
United States Liability Ins
US Investment Group
U S Underwriters Ins Co (Del.)
Lancaster:
Old Guard Mutual Fire Ins Co
Old Guard Mutual Group
Old Guard Mutual Ins Co
Latrobe:
Westmoreland Casualty Co
Lebanon:
Washington Mutual Ins Co
Lemoyne:
Pennsylvania Med Soc Liab
Lititz:
Lititz Mutual Insurance Co
Marietta:
Atlantic States Insurance Co
Donegal Group
Donegal Mutual Insurance Co
Meadville:
Allegheny Mutual Casualty Co
Mechanicsburg:
PHICO Insurance Company
Millville:
Millville Mutual Ins Co
Nazareth:
Nazareth Mutual Insurance Co
New Holland:
Goodville Mutual Casualty Co
Pennsburg:
Goschenhoppen Mutual Ins Co
Philadelphia:
Aetna Fire Underwriters (Conn.)
Aetna Insurance Company (Conn.)
Aetna Reinsurance Company (Del.)
Allied Insurance Company (Cal.)
American Integrity Ins Co
Atlantic Employers Ins Co (N.J.)
Bankers Standard Fire & M (Texas)
Bankers Standard Ins Co (Fla.)
Camden Fire Insurance Assn (N.J.)
Century Indemnity Company (Conn.)
CIGNA Group
CIGNA Insurance Company (Cal.)
Colonial Penn Franklin Ins Co
Colonial Penn Group
Colonial Penn Heritage Ins (Cal.)
Colonial Penn Insurance Co
Delaware Reinsurance Company (Del.)
Diamond State Insurance Co (Del.)
General Accident Ins Co Amer
General Accident Ins Group
Germantown Insurance Company
The Green Tree Ins Co
Hallmark Insurance Company (Wisc.)
Homestead Insurance Company
INA Employers Insurance Co (Del.)
INA of Texas (Texas)
INA Reinsurance Company (Del.)
Indemnity Ins of No Amer (N.Y.)
Insurance Co of No America

Keystone Insurance Company
Manufacturers Alliance Ins
The Mutual Assurance Company
Mutual Assurance Group
Pennsylvania General Ins Co
Pennsylvania Lumbermens Mut
Pennsylvania Mfrs' Assn Ins
Pennsylvania Mfrs Indemnity
Philadelphia Contributionship
Philadelphia Contrib Group
Philadelphia Contrib Ins Co
Philadelphia Reinsurance
Philadelphia-United Fire Ins
Planet Insurance Company (Wisc.)
The PMA Group
PMA Reinsurance Corporation
Potomac Ins Co of Ill (Ill.)
Reliance Insurance Companies
Reliance Insurance Company
Reliance Ins Co of NY (N.Y.)
UMI Reinsurance Company
United National Group
United National Insurance Co
United Pacific Ins of NY (N.Y.)

Pittsburgh:
Legion Insurance Company

Plymouth Meeting:
PIE. Physicians Ins Co

Rockwood:
Rockwood Group
Rockwood Insurance Company

Scranton:
State Workmen's Ins Fund PA

Somerset:
Mid-Continent Insurance Co

Wayne:
Regis Insurance Company

West Chester:
Penn Mutual Fire Ins Co

West Pittston:
Lackawanna Casualty Company

Wilkes-Barre:
American Independent Ins
Pennsylvania Millers Mutual

Wyalusing:
Tuscarora-Wayne Mutual Ins

York:
Farmers Fire Insurance Co
Yorktowne Mutual Ins Co

PUERTO RICO

Caparra Heights:
Richport Insurance Company
Universal Insurance Company
Universal Insurance Group

Hato Rey:
Citizens Fire and Cas Co
Eagle Star Insurance Co PR
General Accident Ins Co PR
National Financial Group
National Insurance Company
Sun Alliance Ins Co of PR

Old San Juan:
Antilles Insurance Company

Rio Piedras:
Cooperativa de Seguros Multi

San Juan:
Chubashus Group
CNA Casualty of Puerto Rico
Corporacion Insular de Segur
El Fenix de Puerto Rico Co
Manufacturers Trust Ins Co
Pan American Insurance Co
Preferred Risk Insurance Co
Puerto Rican-American Ins Co
Royal Insurance Co of PR Inc

Santurce:
American Intl Ins Co of PR
Professional Underwriters
Puerto Rico Premier Ins Co

RHODE ISLAND

Johnston:
Affiliated FM Insurance Co
Allendale Group
Allendale Mutual Ins Co
Appalachian Insurance Co

Pawtucket:
Narragansett Bay Ins Co
Pawtucket Mutual Group
Pawtucket Mutual Ins Co

Providence:
American Universal Group
American Universal Ins Co
Amica Mutual Insurance Co
Canadian Universal Ins Co
Canadian Universal Ins Co (Can.)
Providence Mutual Fire Ins
Providence Washington Group
Providence Washington Ins Co
Sheffield Insurance Company

Warwick:
Abington Casualty Ins Co
Metropolitan Casualty Ins (Del.)
Metropolitan General Ins (Del.)
Metropolitan Group (Del.)
Metropolitan Prop & Liab (Del.)

SOUTH CAROLINA

Cayce:
South Carolina Farm Bur Mut

Charleston:
American Mutual Fire Group
American Mutual Fire Ins Co
Carolina American Ins Co
Old Charleston Insurance Co
Public Savings F & C Ins Co

Columbia:
Atlantic Casualty & Fire Ins
Blue Cross & Blue Shield SC
Blue Cross Blue Shield SC GP
Catawba Insurance Company
Companion P & C Insurance Co
Consolidated American Ins Co
John Alden Insurance Co
Seibels Bruce Group
South Carolina Insurance Co
Southern Mut Church Ins Co

Greenville:
Canal Group
Canal Indemnity Company (Del.)
Canal Insurance Company

Greer:
Southern Home Insurance Co

SOUTH DAKOTA

Eureka:
Northwest G F Mutual Ins Co

Milbank:
Milbank Insurance Company

Rapid City:
American Concept Ins Co

Sioux Falls:
Sunshine Insurance Co
Western Surety Company

TENNESSEE

Brentwood:
State Volunteer Mutual Ins

Chattanooga:
Provident General Ins Co

Columbia:
Tennessee Farmers Mutual Ins

Memphis:
Memphis Fire Insurance Co
Southern American Ins Co
U S Security Fire & Cas Ins

Nashville:
National Property Owners Ins
Permanent General Assur Corp
Tennessee Insurance Company

TEXAS

Arlington:
St. Paul Lloyds

Austin:
American Physicians Ins Exch
APS Facilities Mgmt. Inc Grp
Association Casualty Ins Co
Northwestern National Lloyds
Providence Lloyds
Service Lloyds Insurance Co
Texas Farmers Insurance Co
Texas Hospital Ins Exchange
Texas Lawyers' Insurance Ex
Western Alliance Ins Co

Bellaire:
CNA Lloyd's of Texas
St. Paul Insurance Company

Brenham:
Germania Farm Mutual Ins
Germania Fire & Casualty Co
Germania Insurance Company
Germania Mutual Group

Dallas:
A.I. Lloyd's Insurance Co
American Eagle Insurance Co
American Excel Insurance Co (Iowa)
American Interstate Ins Co (Ga.)
American Lloyds Insurance Co
American Standard Lloyd's
Atlantic Lloyd's Ins Co
Bellefonte Underwriters (Del.)
Blue Ridge Insurance Co (Md.)
British American Ins Co
Chilton Insurance Co
Chubb Lloyd's Ins Co of Tex
Commodore Insurance Company
Commonwealth Lloyd's Ins Co
Compass Insurance Company (N.Y.)
Consolidated Insurance Assn
Consolidated Lloyds
CU Lloyd's of Texas
Employers Casualty Company
Employers Casualty Corp (Okla.)
Employers Indemnity Company
Employers Ins of Texas Group
Employers National Ins Co (Del.)
Employers National Ins Corp (Okla.)
Employers of Texas Lloyds
Fireman's Fund Ins of Tex
Foremost Lloyds of Texas
Home Lloyd's Ins Co of Tex
Industrial County Mutual Ins
Industrial Underwriters Ins
Insured Lloyds
K mart Insurance Group
Km Insurance Company
Lawyers Surety Corporation
Montfort Insurance Company
Nobel Insurance Grp
Nobel Lloyds Insurance Co
North Amer Nobel Ins Co
Old Republic Lloyds of Texas
Reliance Lloyds
Republic Insurance Company (Del.)
Republic Underwriters Ins (Okla.)
Republic-Vanguard Ins Co (Ariz.)
Republic-Vanguard Reins Co
Royal Lloyd's of Texas
Security National Ins Co
Sentry Lloyds of Texas
Southern Insurance Company
State Farm Cnty Mutual of TX
State Farm Lloyds
Teledyne Group
Texas Employers Indemnity Co
Texas Employers' Ins Assn
Texas Pacific Indemnity Co
TICO Insurance Company (Iowa)
Titus Group
Transport Insurance Co (Iowa)
Travelers Lloyds Ins Co
Trinity Lloyd's Insurance Co
Trinity Universal Ins Co
Trinity Universal Ins Kan (Kan.)
Union Standard Insurance Co
Union Standard Ins of OK (Okla.)
Union Standard Lloyds
Utica Lloyd's of Texas
Utica National Ins Co of Tex
Vanguard Insurance Company
Vanguard Underwriters Ins (Okla.)
Victoria Lloyds Insurance Co
Zurich American Lloyds

Evadale:
Sunbelt Insurance Company

Farmers Branch:
American Hallmark Ins Co Tex
Members Insurance Company
Members Insurance Group
Members Mutual Insurance Co
Members Service Insurance Co

Fort Worth:
Agricultural Workers Mutual
Colonial Casualty Ins Co ( )
Colonial Insurance Group ( )
Colonial Lloyds
Fort Worth Lloyds
General Agents Group ( )
General Agents Ins Co Amer (Okla.)
Houston General Insurance Co
Houston General Lloyds
International Service Group
International Service Ins Co
MGA Insurance Company
Millers Casualty Ins Tex (Del.)
Millers Insurance Group
Millers Mutual Fire Ins Co
Traders and General Ins Co

Galveston:
American Fire & Indemnity Co
American Indemnity Company
American Indemnity Group
American Indemnity Lloyds
Texas General Indemnity Co (Colo.)

Garland:
Kemper Lloyds Insurance Co

Houston:
Aberdeen Insurance Company
American General Fire & Cas
American General Lloyds
Automated Financial Ind Co
Capitol County Mutual Fire
Citadel Insurance Company
Delta Lloyds Insurance Co
Hartford Lloyds Co
Highlands Casualty Company
Highlands Insurance Company
Highlands Ins Group
Highlands Lloyds
Highlands Underwriters Ins
Houston Casualty Company
Insurance Corp of America
National Standard Ins Co
Petroleum Casualty Company
Ranger County Mutual Ins Co
Ranger Insurance Group
Ranger Lloyds
Surplus Underwriters Cas Ins
United Republic Reins Co

Hurst:
Federated Lloyds of Texas

Hye:
Standard Casualty Company
Transamerica Ins Co of Texas

Irving:
Associates Insurance Company (Ind.)
Associates Insurance Group
Atlantic Insurance Company ( )
CMI Lloyds
Commercial Credit Group
Diamond Guaranty Ins Co (Okla.)
Emmco Insurance Co of Del (Del.)
Emmco Lloyds Insurance Co
Gulf Group Lloyds
Gulf Insurance Company (Mo.)
Select Insurance Company
Wausau Lloyds
Zale Indemnity Company

Zale Insurance Group
Lufkin:
Angelina Casualty Company (Del.)
Richardson:
Aetna Lloyds of Texas Ins Co
SAFECO Lloyds Insurance Co
Universal Underwriters of TX
San Antonio:
Great Southern Fire and Cas
National Unity Insurance Co
Southern Lloyds
Steen Group
Titan Indemnity Company
United Services Auto Assn
USAA Casualty Insurance Co
USAA General Indemnity Co
USAA Group
Temple:
Farmers Mut Protective Assn
Farmers Mut Protective Group
Texas RVOS Insurance Company
Waco:
Imperial Insurance Company
National Group Corporation
National Lloyds Insurance Co
Texas Farm Bureau Mutual Ins
Texas Farm Bur Underwriters
Wichita Falls:
Beacon National Group
Beacon National Insurance Co
First Preferred Insurance Co
Petrolia Insurance Company
Yoakum:
Hochheim Prairie Cas Ins Co
Hochheim Prairie Farm Mutual
Hochheim Prairie Group
Hochheim Prairie Insurance C

UTAH

Salt Lake City:
Bear River Mutual Ins Co
Continental Heritage Ins Co
Electric Mutual Benefit Assn
Utah Home Fire Insurance Co
Utah Medical Insurance Assn
Workers Compensation Fund UT

VERMONT

Barre:
Granite Mutual Insurance Co
Middlebury:
Cooperative Fire Ins Assoc
Montpelier:
Green Mountain Insurance Co
New England Guaranty Ins Co
Northern Security Ins Co Inc
Union Mutual Fire Grp
Union Mutual Fire Ins Co
Vermont Accident Ins Co
Vermont Mutual Group
Vermont Mutual Insurance Co

VIRGINIA

Glen Allen:
Essex Insurance Company (Del.)
Markel Corporation Group
Virginia Insurance Recip
Harrisonburg:
Rockingham Casualty Company
Rockingham Group
Rockingham Mutual Ins Co
Irvington:
Northern Neck Insurance Co
Richmond:
Cardinal Casualty Company (Ohio)
Colony Insurance Company (R.I.)
Early Settlers Insurance Co
Markel American Ins Co
Mutual Assurance Soc of Va
Southern States Insurance Ex
Virginia Farm Bureau Group
Virginia Farm Bureau Mutual
Virginia Mutual Insurance Co
Waite Hill Group (R.I.)
Waterford:
Loudoun Mutual Insurance Co

WASHINGTON

Bellevue:
Progressive Northwestern Ins
Enumclaw:
Mutual of Enumclaw Ins Co
Federal Way:
United Pacific Insurance Co
Mercer Island:
Consumers Indemnity Company
Olympia:
Ins Funds Dept of Labor & In
Seattle:
Contractors Bonding & Ins Co
Eagle Pacific Insurance Co
Federated American Ins Co
Federated Group
First National Ins Co of Am
General Ins Co of America
Grange Insurance Association
Grange Insurance Group
National Merit Insurance Co
Pacific Marine Group
Pacific Marine Insurance Co
Pemco Insurance Company
Public Employees Group
Public Employees Mutual Ins
Red Shield Insurance Company
Rocky Mountain Fire & Cas Co
SAFECO Ins Co of America
SAFECO Insurance Companies
SAFECO National Ins Co (Mo.)
SAFECO Surplus Lines Ins Co
Unigard Indemnity Company (N.C.)
Unigard Insurance Company
Unigard Lloyd's of Texas (Texas)
Unigard Security Ins Co
Washington State Phys Exch
Vancouver:
Farmers Insurance Co of Wash

WEST VIRGINIA

Charleston:
Worker's Comp Fund WV
Clarksburg:
West Virginia Fire & Cas Co
Huntington:
Inland Mutual Insurance Co
Wellsburg:
Municipal Mutual Ins Co

WISCONSIN

Appleton:
Integrity Mutual Ins Co
SECURA Insurance A Mutual Co
Brookfield:
Badger State Mutual Cas Co
Northwestern National Cas Co
Northwestern National Group (Ohio)
Northwestern National Ins Co
Old Republic Surety Company
St. Paul Fire & Casualty Ins
De Pere:
IDS Financial Group
Fond du Lac:
Threshermen's Mutual Ins Co
Germantown:
Germantown Mutual Ins Co
Retail Lumbermens Mutual Ins
Green Bay:
IDS Property Casualty Ins Co
Wisconsin Employers Casualty
Juneau:
Wisconsin Farmers Mutual Ins
La Crosse:
Midwestern National Ins Corp
Madison:
American Family Ins Group
American Family Mutual Ins
American Standard Ins Co

Capitol Indemnity Corp
Classic Insurance Company
CUMIS Insurance Society Inc
CUNA Mutual Group
Progressive Northern Ins Co
Rural Mutual Insurance Co
Viking Insurance Co of Wis

Merrill:
Church Mutual Insurance Co

Milwaukee:
Badger Mutual Insurance Co
Commercial Loan Ins Corp
Integral Insurance Company (Mo.)
MGIC Reinsurance Corporation
Milwaukee Guardian Ins. Inc
Milwaukee Insurance Group
Milwaukee Mutual Ins Co
Milwaukee Safeguard Ins Co
Mortgage Guaranty Group
Mortgage Guaranty Ins Corp
Mortgage Guaranty Reins Corp
United Wisconsin Ins Co
WMAC Credit Insurance Corp.

Neenah:
Jewelers Mutual Insurance Co

Pewaukee:
Tower Insurance Company, Inc

Seymour:
Hartland Cicero Mut Ins Co

Shawano:
Alpha Property & Casualty

Sheboygan:
Heritage Mutual Insurance Co

Sheboygan Falls:
Sheboygan Falls Mutual Ins

Stevens Point:
Sentry Indemnity Company
Sentry Insurance a Mutual Co
Sentry Insurance Group

Sun Prairie:
General Casualty Co of Wis
Regent Insurance Company

Waukesha:
American Star Insurance Co
Classified Insurance Corpora
Classified Insurance Group

Wausau:
Employers Insurance Wausau
Wausau Underwriters Ins Co
Worldwide Underwriters Ins

Wauwatosa:
Fireman's Fund Ins Co of Wis

West Allis:
MSI Insurance Company

West Bend:
West Bend Mutual Ins Co

WYOMING

Cheyenne:
Industrial Accident Fund

Laramie:
Mountain West Farm Bur Mut

B. INSURANCE COMMISSIONERS BY STATE

State Officials Having Charge of Insurance Affairs

Address	Name	Official Title	Telephone
Alabama, Montgomery 36130-3401	John S. Greeno	Insurance Commissioner	205-269-3554
Alaska, Juneau 99811	John L. George	Director of Insurance	907-465-2515
Arizona, Phoenix 85034	S. David Childers	Director of Insurance	602-255-5400
Arkansas, Little Rock 72204	Robert M. Eubanks, III	Insurance Commissioner	501-371-1325
California, San Francisco 94102	Roxani Gillespie	Insurance Commissioner	415-557-1126
Colorado, Denver 80204	John Kezer	Commissioner of Insurance	303-866-3201
Connecticut, Hartford 06106	Peter W. Gillies	Insurance Commissioner	203-566-5275
Delaware, Dover 19901	David N. Levinson	Insurance Commissioner	302-736-4251
D. OF C., Washington 20001	Marguerite C. Stokes	Superintendent of Insurance	202-727-7419
Florida, Tallahassee 32301	Bill Gunter	Insurance Commissioner	904-488-3440
Georgia, Atlanta 30334	Warren Evans	Insurance Commissioner	404-656-2056
Guam, Agana 96910	Dave J. Santos	Insurance Commissioner	011/671-477-7731
Hawaii, Honolulu 96811	Robin Campaniano	Insurance Commissioner	808-548-5460
Idaho, Boise 83720	Tony Fagiano	Acting Director	208-334-2250
Illinois, Springfield 62767	John E. Washburn	Director of Insurance	217-785-5516
Indiana, Indianapolis 46204	Harry E. Eakin	Insurance Commissioner	317-232-2386
Iowa, Des Moines 50319	Bruce W. Foudree	Insurance Commissioner	515-281-5705
Kansas, Topeka 66612	Fletcher Bell	Insurance Commissioner	913-296-3071
Kentucky, Frankford 40602	Gilbert McCarty	Insurance Commissioner	502-564-3630
Louisiana, Baton Rouge 70804	Sherman A. Bernard	Commissioner of Insurance	504-342-5328
Maine, Agusta 04333	Theodore T. Briggs	Superintendent of Insurance	207-289-3101
Maryland, Baltimore 21202	Edward J. Muhl	Insurance Commissioner	301-659-6300
Massachusetts, Boston 02202	Peter Hiam	Commissioner of Insurance	617-727-3333
Michigan, Lansing 48933	Herman Coleman	Commissioner of Insurance	517-373-9273
Minnesota, St. Paul 55101	Michael A. Hatch	Commissioner of Insurance	612-296-6848
Mississippi, Jackson 39205	George Dale	Commissioner of Insurance	601-359-3569
Missouri, Jefferson City 65102	Lewis R. Crist	Director of Insurance	314-751-2451
Montana, Helena 59604	Andrea Bennett	Commissioner of Insurance	406-449-2040
Nebraska, Lincoln 68509	William H. McCartney	Director of Insurance	402-471-2201
Nevada, Carson City 89710	David A. Gates	Commissioner of Insurance	702-885-4270
New Hampshire, Concord 03301	Louis E. Bergeron	Insurance Commissioner	603-271-2261
New Jersey, Trenton 08625	Kenneth D. Merin	Commissioner of Insurance	609-292-5363
New Mexico, Santa Fe 87504-1269	Vincente B. Jasso	Superintendent of Insurance	505-827-4542
New York, Albany 12257	James P. Corcoran	Superintendent of Insurance	518-602-0429
North Carolina, Raleigh 27611	James E. Long	Commissioner of Insurance	919-733-7343
North Dakota, Bismarck 58505	Earl R. Pomeroy	Commissioner of Insurance	701-224-2440
Ohio, Columbus 43266-0566	George Gabe	Director of Insurance	614-466-3584
Oklahoma, Oklahoma City 73105	Gerald Grimes	Insurance Commissioner	405-521-2828
Oregon, Salem 97310	Josephine M. Driscoll	Insurance Commissioner	503-378-4271
Pennsylvania, Harrisburg 17120	George F. Grode	Insurance Commissioner	717-787-5173
Puerto Rico, San Juan 00910	Juan A. Garcia	Insurance Commissioner	809-724-6565
Rhode Island, Providence 02903	Mark Pheiffer	Insurance Commissioner	401-277-2223
South Carolina, Columbia 29204	John G. Richards	Chief Insurance Commissioner	803-737-6117
South Dakota, Pierre 57501	Susan L. Walker	Director of Insurance	605-773-3563
Tennessee, Nashville 37219	Elaine A. McReynolds	Insurance Commissioner	615-741-2241
Texas, Austin 78701-1998	Doyce R. Lee	Commissioner of Insurance	512-463-6464
Utah, Salt Lake City 84145	Harold Yancey	Commissioner of Insurance	801-530-6400
Vermont, Montpelier 05602	Thomas P. Menson	Com. of Banking & Insurance	802-828-3301
Virginia, Richmond 23209	James M. Thomson	Insurance Commissioner	804-786-3741
Virgin Islands, St. Thomas 00801	Derek M. Hodge	Insurance Commissioner	809-774-2991
Washington, Olympia 98504	Richard G. Marquardt	Insurance Commissioner	206-753-7301
West Virginia, Charleston 25305	Fred E. Wright	Insurance Commissioner	304-348-3354
Wisconsin, Madison 53707-7873	Thomas P. Fox	Commissioner of Insurance	608-266-0102
Wyoming, Cheyenne 82002	Monty Lauer	Insurance Commissioner	307-777-7401

CANADA

Alberta, Edmonton T5J 3B1	Vacant	Superintendent of Insurance	403-422-1592
British Columbia, Vancouver V6Z 2H4	A. E. Mulholland	Superintendent of Insurance	604-660-4800
Gov't. of Canada, Ottawa K1A OH2	Robert M. Hammond	Supt. of Insurance	613-996-8603
Manitoba, Winnipeg R3C 3L6	Earl McGill	Superintendent of Insurance	204-945-2542
New Brunswick, Fredericton E3B 5H1	George Pairier	Deputy Superintendent of Insurance	506-453-2541
Newfoundland, St. Johns A1C 5T7	Thomas F. Fagan	Superintendent of Insurance	709-737-2594
Northwest Territory, Yellowknife X1A 2L9	Shirley Stevenson	Superintendent of Insurance	403-920-8055
Nova Scotia, Halifax B3J 2L6	L.C. Umlah	Superintendent of Insurance	902-424-4690
Ontario, Toronto M7A 2H6	John P. Weir	Superintendent of Insurance	416-963-0493
Prince Ed. Is., Charlottetown C1A 7N8	M. B. Fitzpatrick	Superintendent of Insurance	902-892-5411
Quebec, Quebec City G1R 4Y5	Guy Monnfette	Superintendent of Insurance	418-643-5783
Saskatchewan, Regina SVP 3V7	O.A. MacGillivray	Superintendent of Insurance	306-565-2957
Yukon Territory, Whitehorse Y1A 2C6	Vivki Hancock	Superintendent of Insurance	403-667-5257

IDS MARKETING PLAN

"PLASTIC CARDS"

DRAFT

Prepared By:
Penny Pepper / IDS Marketing
June 1, 1988

I. Business Situation Review / Background

A. First Product Offering

The IDS plastic card program has been in existence since late 1984. The initial offering was just a plastic card product as opposed to a full program offering. The product consisted of:

1. Plastics
   a. Customer Supplied
   b. Moore Procured (Data Card)

2. Tape Preparation
   a. One tape for the embossing / encoding
   b. One tape for the Matched Mailer

3. Embossing / Encoding
   a. Subcontracted by Moore
   (FDR, Data Card, or Faraday)

4. Printing of Litho Rolls
   a. OME
   b. Card Carrier
   c. Letter Web (s)

5. Matched Mailer Collator
   a. Image Components
   b. Place Card / Verify
   c. Mate, Fold, Insert Components

6. Mail

B. Initial Subcontractors

1. First Data Resources (Omaha, NE)

In the beginning FDR was used as the major subcontractor. FDR performed the embossing / encoding on the first IDS plastic card job that was run for Southern New England Telephone (SNET). Moore did the large mass issue, (approx. 300,000 packages) and FDR provided the Fulfillment contract for the small quantity daily issues. The customer saw it as a joint offering by Moore and FDR. IDS also ran a <u>few</u> other small orders where FDR again provided the embossing / encoding services and Moore ran the rest of the job on the MMC.

Eventually Manufacturing complained that FDR could not provide the personalized plastics in the correct sequence, thus having a negative impact on Moore's production efficiency. Also FDR does not manufacture plastic cards and so when a customer wanted Moore to procure the plastic, this meant that Thurmont had to work with two vendors (one for plastics and one for the embossing / encoding).

2. Data Card (Minneapolis, MN)

Moore then decided that Data Card might in fact be the company to utilize for services that Moore could not provide: plastic manufacture, embossing/encoding and small quantity card packages. Their abilties coupled with their reputation of being the "IBM of the card industry" peaked Moore's interest. IDS worked with Data Card on a few deals. Data Card supplied the plastic and did the embossing/encoding or if the customer wanted to supply the plastic then they just provided the plastic personalization.

Then the executives at Moore began negotiations with the executives at Data Card about a possible joint venture. The new venture would really become a new company pooling the resources from both. Data Card would supply the plastics, provide the equipment to emboss/encode, and also provide equipment to handle small quantity card packages. Moore would provide the ability to handle the large roll out mailings, as well as field the sales force. The result of the negotiations where that DC felt that their sales force would be threatened by the new company and they did not see enough value in such a venture.

After the negotiations ended, the Moore/Data Card relationship seemed to turn a little sour. Moore IDS felt that the pricing they were receiving from DC on the plastics and the embossing / encoding pricing was not competitive.

C. Vendor Selection

In middle of 1986 and after the Data Card venture was halted, IDS marketing really began to analyze their plastic card program. IDS did not feel that they were getting the best possible prices for the plastics, embossing etc. from outside vendors and mainly Data Card. IDS marketing prepared a bid to be sent out to the top five Card Companies in the U.S. The purpose of the bid was to select the **best** vendor (s) for IDS's needs, which were:
a. Plastic Manufacture
b. Embossing/Encoding
c. Small Quanitity Card Packages

The basis for selection was reputation, price, and turnaround. IDS also wanted to find out if what they had suspected about DC as not being competitive from a price standpoint was true.

Here is a list in preference sequence of the vendors that the bid was sent to:

Faraday National - good pricing, good service, no card manufacture

National Business Systems - card manufacture, good pricing, good service

Kirk Plastics - card manufacture, poor location (CA), not competitive pricing

Data Card - industry leader, card manufacture, not good pricing, not good service

Malco Plastics - card manufacture, highest price, viewed as a real competitor

Faraday National (Herndon, Virginia)

One of the two companies that came out on top was Faraday National. Faraday does not manufacture plastic, but they were able to do the other services that IDS required. Their pricing was much lower than what Moore had experienced from Data Card and their service was also better. IDS ended up using Faraday to do some embossing/ encoding on a couple of jobs. Although the sequencing was better, it still was not perfect and this resulted in downtime for the Thurmont manufacturing facility.

National Business Systems (South Plainfield, NJ)

This was the other vendor that came out on top of the selection. NBS manufactures plastic, and also was able to provide all of the other services that IDS required.

Using the new vendor (s), mainly Faraday, IDS was able to get a couple of orders here and there, but **nothing substantial.** Finally in the 3 - 4 quarters of '86 IDS marketing took another hard look at the plastic card offering and sighted the main problems of why Moore was not getting much business. Moore's main obstacles were:

- Lack of Embossing / Encoding Capabilities
- Lack of Small Quantity Package

The first was a problem viewed by Moore's customers and a problem with Moore's method of manufacturing. Customers ordering secure cards did not want them embossed in one location and then shipped to another location for assembly and mailing. The fact that subcontractors were performing the embossing operation and were not able to properly sequence the plastics, caused a great amount of downtime with IDS's Matched Mailer operation.

The second problem was Moore's inability to provide small quantity card mailings. Many customers wanted one vendor to provide the large roll out mailing and then also to provide the small quantity (daily, weekly, monthly) card mailings. IDS could only provide the former. Moore IDS found potential prospects wanting "one source" for their card business.

D. New Offering

In January of 1987, IDS signed a contract with Southwestern Bell with the understanding that Moore would provide the embossing/encoding operation in the Thurmont facility. This resulted in the purchase of:

- 4 - Data Card 15000 Embosser / Encoders
- 1 - Data Card 4450 Fulfillment Machine (sm. quantity card pkg. manufacture)
- New Card Center (constructed in the Thurmont Plant)

The ability to provide the above greatly strengthened Moore's IDS plastic card program. The Moore card program has come a long way in four years, but really in the last year has it been seen as a real viable offering by Moore's IDS sales representatives.

In June 1987 the "new" plastic card program was released to the entire Moore sales force.
The release included --

- Revised Product Facts Booklet
- Industry Education (Product Education, Competition, Moore's Strengths)
- New Matched Mailer Demo Package
- New Fulfillment Demo Package

II. Market Analysis

A. Target Customers

1. Long Term - Key Industries

These are the key industries for Moore to focus the plastic card program over the next five years.

a. Retail

b. Financial

c. Insurance

d. Associations

RETAIL - MOST BUSINESS THAT [illegible] GROCERY APPLIANCE LIMITED CHAIN

92.8 million Americans owned one or more retail cards. The average cardholder has 4.1 retail cards compared to 3.6 the previous year.

Retail Card Applications:	Credit Cards	FREQUENT SHOPPER [illegible]
	Debit Cards	I.E. CHILDS (PARENTS)
	Check Cashing Cards	[illegible]
Factors affectings Growth:	Automation (POS Systems)	
	Convenience	
	Competition	

Industry Make up:

The industry makeup for the 380MM retail cards in circulation are as follows:

Big Three: (Sears, J.C. Penney Co., & Montgomery Ward Co.)
34%/130MM Cards

Chains: (i.e. Federated, Macy's, May, Carter Hawley Hale, Allied, Dayton Hudson)
38%/144MM Cards

Independents: (i.e. Nordstrom, Dillard, Belk, Carson Pirie Scott, Lane Bryant)
17%/66.5MM Cards

***Private Labels:** (i.e. GECC, Citicorp Retail, FDR, BancOhio, AmeriTrust)
10%/36.7MM Cards

Others: **2%/4MM Cards**

*While proprietary cards are becoming more important to retailers at the same time they are becoming less profitable due to:

- Growing losses from delinquencies and bankruptcies
- Lower rates on bank cards that retailers can't match
- Stronger competition from American Express, Diners Club and Sears
- Declining interest rates make the 21% break-even for store cards seem out of line

Help with solving these and other problems confronting retail-card issuer for the first time is available from private-label companies ready to take over or assist in all areas of car operations:

- Special promotions
- Credit Authorization
- Collections
- Market Research
- Financing
- Turning Receiveables into cash through Securitization

Growing need for these services should lead to revitalization of the private-label industry. There may be opportunity for additional IDS services within the private label capacity.

Retail Sales
Type of Payment with Average Purchase

Store Card :	**56.6% / $39.50**
Cash:	**17.5% / $17.00**
Checks:	**13.8% / $21.00**
Bank Cards:	**8.4% / $59.00**
T & E Cards:	**3.7% / $66.00**

The Retail industry is comprised of several segments:

Department Stores
Discount Stores
Grocery Stores
Convenience Stores

Since each has different card needs, each segment will be looked at in depth:

1. **Department Stores**

Application: Credit Card

Card Specs:
30 mil Plastic
2 or 3 Lines of Embossing
*Magnetic Stripe or none
Signature Panel
*CR80 and some CR50

The trend is toward a CR80 card with a Magnetic Stripe. This former is due to the ABA industry standards and the former is due to automation; more and more POS systems require a Magnetic Stripe. This is evident with Sears recent converstion to a Magnetic Striped CR80 from a non-striped CR50 system. JC Penney's will also be converting in the near future to a magnetic stripe system. Please note that there are no standards for the retail industry as far as plastics so the card specs shown in this report are the ones that are "typical" to the industry.

Card Distribution:

Card Fulfillment

95% of this segment provide their own in-house card fulfillment system, and generally on a daily basis The reasons for this is turnaround and control. The credit card is their livelihood and the sooner that card can get in their customer's hand with the least amount of hassle the more efficient they are. The larger the chain or company, then the more sophisticated the card center will be. The other 5% doing out of house processing in most cases are your smaller stores/chains.

Card Mass Issue

Although these retailers are quite efficient at small quantity quick turnaround card mailings, they are less than able to handle large card reissues, (i.e. 25M or more). Again the quantity that the individual company can handle coincides with how big the company is. 25M packages to be reissued may be too much for a smaller company to handle, while a Sears would have no problem tackling that quantity. Generally 25M and up for a one time mailing is a problem for most retailers in this market segment. Consequently many go outside for a large reissue.

2. Discount Stores

Applications: Membership Card
Credit Card

This segment is in a real transition. Traditionally no card existed and then a paper one evolved and some today even have a 30 mil card. The reason for this transition for a more sophisticated system are two-fold: competition and automation. The two go hand in hand. With such competition among discount stores, if you can get your customer to have one of your credit cards, then it is more likely that, that consumer will shop at your store. Other than the card, you also need convenience for the consumer which means a quick checkout, and in turn an automated POS system. With an automated POS system, a magnetic stripe credit card is a natural.

Card Specs: No Card, Paper Card, 10 mil card, & some

30 mil Plastic
2 or 3 Lines of Embossing
Magnetic Stripe or none
Signature Panel
CR80

Card Distribution:

Currently this segment of the industry is still finding it's way with 30 mil plastic distribution. If this segment ever gets to the point of the department store segment, then I think that we will see the same trend for in-house daily/weekly fulfillment and still that need for outside help on the large mass issues.

3. Grocery Stores

Applications: Debit Card
Check Cashing Card

Debit Card Definition

Electronic hookups between financial institutions and retailers allow consumers to pay for goods and services and withdraw cash using magnetic stripe cards to debit their bank accounts at the merchant's point of sale (POS) instead of using cash, checks, etc.

Merchants participating in Debit / POS systems can choose between two methods of reimbursement: Immediate payment guaranteed when funds are transferred on-line directly from the cusotmer's bank account to their bank . . . or, they can spend less per transaction and give their customers the same float advantage as checks by using the Automated Clearing House (ACH) for off-line settlement that takes a couple of days. If they choose the later, then the retailer takes the risk of not getting paid.

This segment is also in a changing mode. Traditionally your large grocers have had check cashing cards for their customers. While check cashing cards still seem to have a need in this segment, the debit card is taking some of that volume. The debit card is still in its infant stages -- but the most success has been in the grocery and oil industries. The reasons that the debit card is particularly attractive in the grocery industry are:

1. Convenience (faster check-out)
2. Safer than cash
3. Hassle free - No ID
4. No interest
5. Easy cash replenishment

The reasons that the debit card is still not where the industry experts feel it should be:

1. Cash oriented -- Check Comfort
2. Awareness - (most retailers and consumers)
3. Uncomfortable with EFT terminal

Debit Card Specs: 30 mil Plastic
2 or 3 Lines of embossing
Magnetic Stripe
Signature Panel
CR80

Those stores that have adopted the debit card system also seem to be those stores that do not have a bar code on their check cashing cards. Because the debit card is either tied into the Bank or to the ACH – both forms of transaction processing require the standard track 2 Magnetic Stripe. This will be the trend.

Card Distribution:
Card Fulfillment

For both systems -- Check Cashing and Debit, the consumer generally signs up for the program in the store. Again a majority of your grocers generate the card mailing from their in-house facility for a quick turnaround and control.

Card Mass Issue

The grocers are generally not set up for a large issue. Hopefully if the retailer has made the decision to go to a Debit card system, then the anticipated acceptance rate should be high. If this is the case then as many as 15,000 cards a week could be a real problem for many food chains. Many companies are geared for 50 - 500 new check cashing card customers per week , but any more than that could be a real problem. If the retailer is going to offer a debit card program, then it may be hard for some retailers to handle that initial enthusiasm for the program without the help of an outside subcontractor. Here is the basic scenario on a Debit Card System:

1. Card Application made available:
   a. In - Store sign ups
   b. Direct Mail to current Check Cashing Customers

2. Application is received back / Information Captured
   a. In-house
   b. Subcontractor

3. Debit Authorization / Checking Account checked out
   a. In - house
   b. Subcontractor

4. File of Approved Customers Created / Magnetic Tape
   a. In - house
   b. Subcontractor

5. Initial Card Mailings
   a. Out of house

6. Subsequent Card Fulfillment
   a. Out of house
   b. In house (depending on quantity)

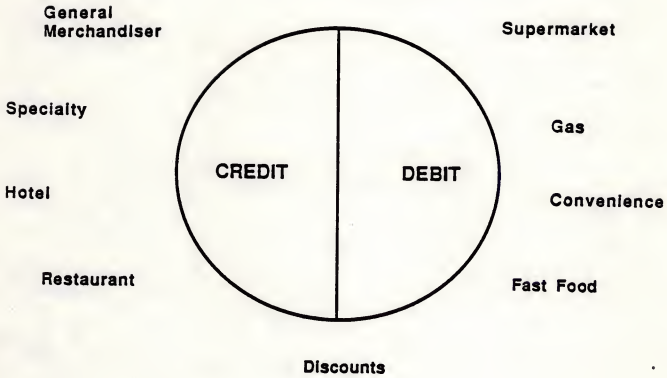
Card Specs:	Check Cashing -
	Paper, 10 mil or 30 mil
	If 30 mil there are two constructions being used --
No. 1	30 mil Plastic 2 or 3 Lines of embossing Magnetic Stripe Signature Panel CR80
No. 2	30 mil Plastic UPC Bar Code (Thermal Printed) 2 or 3 Lines of Flat Thermal Printing Majority - no Magnetic Stripe / few do have Signature Panel CR80

There has been a real struggle between the retail industry and banking industry and in particular regarding the form of card identification (bar code versus magnetic stripe with embossing). The ABA (American Banking Association) standard for a 30 mil card includes embossing and a magnetic stripe. The grocery industry has adopted the UPC bar code as their form of identifying inventory, etc. and so the UPC code is a natural tie-in for their POS system. It is not evident that the banking industry will compromise their position and so for the sake of the Check Cashing Card, the bar code will probably continue to prevail in those stores that do not have a debit card system, until such time that competition makes it imperative for a Debit Card System to be developed.

4. Convenience Stores

There is little information on the Convenience Store segment specifically. This segment provides a great opportunity for the Debit Card for the same reasons sighted in the previous (Grocery) section. It is probable that this segment will heavily tie into the ATM card to access their system.

PLASTIC POWER



Consumer ⟶ Will decide how to pay

WHY? Debit Card:

1. Convenience
2. Safer than Cash
3. Hassle Free - No ID
4. No interest
5. Easy Cash Replenishment

FINANCIAL

Detail regarding this industry will not be covered in this product plan. Please reference IDS Financial Market Plan for details regarding the financial industry.

Financial Card Applications:	Master Cards Visa Cards ATM Cards
Factors affecting Growth:	Growing ATM Network Competition

Bankcards:

Total Card Base = 204MM

Visa 114M (56%)
Master Card. 90M (44%)

Over the next five years the bankcard market is projected to recirculate at a rate of 37% to a total of over 280MM bankcards in circulation.

Although MasterCard International and Visa International are two seperate entities, they both are very similar in how they handle their respective bankcard services and for this reason this section will be combined.

Master Card requires that the vendor manufacturing the plastic card and also the vendor doing the plastic card mailing both be approved by Mastercard International in order to provide these services. Master Card has over 14,800 member banks nationwide.

Visa International requires that the vendor manufacturing the plastic card only be approved by Visa International in order to provide these services. The mailing vendor (i.e. Moore) need not be approved by Visa International. Visa has over 17,600 member banks nationwide. (Ref. Nilson #406)

Bankcard Specs:	30 mil Plastic 2 Lines of Embossing Hologram Magnetic Stripe (track 2) Signature Panel

Both cards are very similar with the exception of the actual hologram and the colors of the respective cards. These cards are the most secure cards in the plastic industry and for this reason not every plastic vendor is licensed to manufacture Visa and Master cards.

Card Distribution:

Card Fulfillment

The size of the bank will be the major determining factor on how they handle the plastic card fulfillment. The larger the bank, the better the chance they will have in house facilities to handle the bankcard fulfillment in house. Although there is no industry rule, you can figure that if the financial institution has a cardbase of 100,000 or more than they are providing this service in house. The major reasons for this are:

1. Volume warrants
2. Security
3. Control
4. Service

The smaller banks and those who have a card base of under 100,000 are either doing their card fulfillment in house, or outside. If they are going outside then they are either using a Third party processor or a card vendor. The main reasons for this are:

1. Low Volume
2. Other Services needed (i.e. that a *Third Party Processor can provide)
3. More Economical

*Ref. Nilson #405 for additional information on Third Party Processors. FDR leads the list with 33% of third-party processing for banks.

Mass Issue

The financial industry is similar to the retail industry in this regard. While many banks have sophisticated in-house card fulfillment systems, few have or want the capacity for major card issues. Again, a good industry rule is that 25,000 or more packages that need to be rolled out at one time can prove to be quite a job for any bank regardless of size. The need for this service could be due to:

1. Bank Merger
2. Bankcard Spec Change

When a bank looks for a vendor to handle the mass issue they usually look for the following types of vendors:

1. Other Plastic Mailing Companies (like Moore)
2. Their Plastic Manufacturer
3. Third Party Processor (handling other services)

With the very nature of their business, this market is very "security" conscious and very conservative. Those companies with a track record and especially those companies that perform "other related" services are a step ahead of the rest in gaining this business.

ATM Cards: (ATM = Automatic Teller Machine)

ATM Cards = 170M

Growth rate projected over the next five years is (ref. Nilson 88 ATM Book).

ATM Card Specs:

30 mil Plastic
2 or 3 Lines of Embossing
Magnetic Stripe (track 2)
Signature Panel

Card Distribution:

Card Fulfillment

Like the Bankcard fulfillment, many of the larger banks handle this function in-house while the small to mid size banks handle this function out-of-house. Generally, anything under 500 cards per week is handled with an outside vendor. For ATM card fulfillment many banks require:

1. Not more than a 5 day turnaround
2. Prefer the data to be transmitted electronically
3. May require pin encryption
4. Same company to provide both mass issue and fulfillment
5. Prefer mechanical match as opposed to manual

Card Mass Issue

The ATM segment is still in a growing mode and with this comes much change. Many banks are changing regional networks or joining national networks and this means new encoding specifications and the addition of the network symbol on the card. ATM cards are no different from the rest of the card industry in a large mass issue (20,000 cards or more) is difficult to handle in-house. While security is a big concern with ATM cards it is less of an issue than with bankcards. The major factors in selecting an out-of- house vendor would be:

1. Capacity (able to handle)
2. Reputation
3. Security

INSURANCE

Detail regarding this industry will not be covered in this product plan. Please reference IDS Insurance Market Plan for details regarding the Insurance Industry.

Factors Affecting Growth:

Median Age of Population is rising
Competition
Pending Medicaid Legislation

Industry Makeup:

Blue Cross / Blue Shield (98 nationwide)
Large Independent Companies
HMO's

Application: Health Coverage Card

Card Specs: No Card, Paper Card, 10 mil Plastic or

30 mil Plastic Card
Embossing - 3 to 9 Lines
Magnetic Stripe
Signature Panel

Card Distribution:

Card Fulfillment

Unlike the retail industry, the insurance industry does not have a standard method of handling card fulfillment. Some companies may perform the service in house while others have come to a point where out of house processing is more attractive. Many companies seem to be looking out of house for this type of service due to:

1. Growing volume
2. Expensive labor
3. Hassle factor
4. Old embossing equipment
5. Outside may be more economical

When insurance companies do look outside they often want better service than they are capable of doing in-house, such as:

1. Daily or weekly fulfillment (depending on plan)
2. Electronic transmission
3. Often require more than 4 lines of embossing
4. May require hot stamping capability
5. Not more than 48 hr. turnaround time after receipt of data and may require 24 hour.
6. Don't require mechanical match
7. Multiple Card Packages (3 - 7 cds.)

Card Mass Issue

This industry is also not set up for large mass issues in house, but if the company wants the control they will either farm the work out to a subsidary which will handle the mailings for that particular company and this includes plastic card mailings or they will go out of house for the entire project. The former is a very common way for the Blue Cross /Blue Shield Companies to handle their large quantity card volume. The company may or may not have embossing equipment in house; if not then they will use a plastics company to manufacture and emboss the plastic and then ship it to them for packaging and distribution. Often the cards will be shipped in bulk to the customer company and then individually handled out to the employees in lieu of a mailing. Multiple card packages (3 - 7) are a need of this type of application.

ASSOCIATIONS

Associations vary according to industry, location, people and very nature of the association. The key with this sector is:

Need for identity
Lack of in house resources

Membership cards are the key to the Association because it is the members only tangible tie to the organization. The card could be as simple as a paper card, or as elaborate as a 30 mil embossed card. Several applications are available in the IDS family and not necessarily just the 30 mil embossed card. There is no typical association card. The possiblities include:

Paper Card
Mylar Card
10 mil Plastic Card
24 mil Plastic Card
24 mil Embossed Card
30 mil Embossed Card

Since most associations are nonprofit or if they are not, they usually have very little capital and for these reasons in-house capabilities are often quite limited. This makes out-of-house process a natural for this sector. With all of Moore's capabilities for card mailing systems, IDS is a natural for association cards.

2. Short Term - Key Industries

These are the key industries for Moore to focus the plastic card program on a short term basis. Moore should re-evaluate these markets over the next year to see if they are still significant industries for IDS's plastic card program.

a. Telecommunications

b. Oil

c. Leisure

TELECOMMUNICATIONS

Detail regarding this industry will not be covered in this product plan. Please reference IDS Telecommuncations Market Plan for details regarding this Industry.

Factors Affecting Growth:

Conversion to 30 mil Card
Competition
Pending Judicial Ruling

Industry Makeup:

AT & T
Bell Operating Companies
Independents

Application: Telephone Calling Card

Card Specs:

30 mil Plastic Card
Embossing 2 - 4 Lines
Magnetic Stripe
Signature Panel

or

Paper Card or 10 mil Plastic Card
(not all companies have converted)

Card Distribution

AT & T

AT & T has converted all of their current customers to the 30 mil embossed card. However because of AT & T's large card base, their daily fulfillment, (approx. 10 million cards annually) is a hugh task. AT & T contracts out their card fulfillment to two card vendors. The contract is good for two years. The current contract vendors are Faraday National and National Business Systems. (See competitive section for more detail on these companies). The contract is in current negotiations as the two year period is at a close. Moore has submitted a bid for the business, but it does not look favorable because of IDS's current manufacturing capabilities. (See Positioning Section for further detail).

Bell Companies

Mass Issue:

The majority of the Bell operating companies have already issued 30 mil calling cards to their customer base. Due to the size of the customer base and the lack of capacity all Bell Companies have gone out-of-house for their mass issue. The major player in this reissue has been First Data Resources (Bell Atlantic, U.S. West, Ameritech, Pacfic Bell). Malco and Moore have the contracts for Southern Bell and Southwestern Bell respectively.

Fulfillment:

Some of the bell operating companies have decided to stay in house with the card fulfillment portion while the majority have opted to subcontract this service. Those going with the later have contracted the same company that performed the mass issue to also handle the fulfillment. Major requirements for the fulfillment portion are:

1. Electronic transmission capabiltities
2. In-house embossing/encoding
3. Daily production capabilities
4. Ability to handle multiple card packages (more than 2 cards per mailing pkg.)

Most of the Bell companies are currently under contract with FDR. Malco and Moore each have one contract with Bell South and Southwestern Bell respectively. These contracts usually run for two - five years depending on the terms. There should be some opportunity as contract renewals come up.

Independent Companies

Probably the best opportuntity for Moore with telephone calling cards is with the independent telephone companies. Many of the independents have not yet issued 30 mil cards because of the expense and waiting to see where the market is going. (MCI / FDR and U.S. Sprint / NBS, both have issued 30 mil cards.) GTE is still using a 10 mil card.

Recap:

The major reasons that Moore has not been a player in this card market is:

1. Lack of Embossing / Encoding Equipment
2. Lack of Card Fulfillment Service "Program"
3. Lack of Experience / Industry Card Recognition
4. When No. 1 was achieved -- Moore was too little too late

LEISURE (Travel & Hospitality)

This is a growing industry, but because it is so new and the opportunties haven't fully been realized it is recommended that Moore look at this industry on a short term and then re-evaluate Moore's position.

The Leisure area covers any entity that is travel / hospitality related, (i.e. Airline frequent flyer programs, hotel stay programs, etc.)

This area (like associations) has a real need for cards since this is the link to the consumer/member. Membership cards are as sophisticated or as simple as the customer's system.

Applications:

Frequent Flyer Cards
Hotel Stay Cards

Card Specs:

30 mil Card
Embossing 2 - 3 lines
Magnetic Stripe (optional)
Signature Panel

or

10 mil Card

Almost all of the major airlines have adopted a 30 mil embossed card except for American Airlines who still uses the 10 mil card which they process in-house. U.S. Air and Eastern both have a magnetic stripe on their cards which they tie into their terminal system. Neither United, Delta or Alaska Airlines have a stripe on their cards.

Card Distribution:

Card Mass Issue

Most of the airlines converted from a 10 mil card to a 30 mil card and this required a massive reissue. The only way for the airlines to handle this project was by subcontracting the work. NBS (Eastern), Data Card (United), and Moore (U.S. Air) have been the major distributors of airline cards.

Card Fulfillment

Most of the airlines are under contract with a card company to perform their fulfillment acitivities. Data Card handles United, NBS handles Eastern and Rand McNally handles U.S. Air. Rand McNally is a major player in this market because of their expertise in the airline industry. Since they are the major ticket supplier for the industry, they were in a prime position when frequent flyer program was introduced a few years ago. Rand maintains the data base for U.S. Air and because of their electronic connection they were in a prime position to handle the daily card fulfillment.

Recap:

The jury is still out on Hotel Stay programs and really Airline Frequent Flyer programs and again for this reason Moore will re-evaluate their position on concentrating on this market over the next year. Unfortunately many of these programs are administered by Ad Agencies. Since the IDS sales force has been directed not to call on Ad Agencies, many opportuntities in this segment have been left for the competition. Since Response Graphics does not have an "embossed" card program and IDS does, but since Response Graphics can call on Ad Agencies and IDS cannot, it would be beneficial for Moore to re-evaluate this policy as this market has not adequately been covered.

Both successes in this industry for IDS . . . . . .

1. U.S. Air (Card Contract = $500,000 plus)

2. Days Inn Frequent Stay Program (IDS annual contract = $ 200,000 plus)

were made possible because the IDS representative did call on the Ad Agency. Unfortunately, the majority of the IDS reps will follow policy and not call on Ad Agencies.

	Current	Reissue	Inc.	Total Cds.	Total $$
Retail					
Department	380MM	120MM plus Penney's	57MM (15%)	177MM	$ 63MM
Grocery / Conv.					$ 12MM
					$ 75MM
Financial					
Bankcards	222MM	100MM	10MM	110MM	$ 38MM
ATM	170MM	57MM	51MM?	108MM	$ 41MM
					$ 79MM
Insurance					
Large					
BC/BS					
HMO					
					$ 24MM
Associations					
					$ 10MM
Telephone					
AT & T					$ 5MM
Bell					$ 10MM
Independents					$ 3MM
					$ 18MM
Oil					
Credit	137MM	46MM	7MM	53MM	$ 19MM
Debit					$ 3MM
					$ 22MM
Leisure					
FF					
Hotel					
(Alliance, etc.)					
					$ 10MM
Misc.					**$ 12MM**
Total Market Potential					**$ 250MM**

C. Market Requirements

Mass Issue:

As should be fairly evident by now -- the majority of mass card issues (usually a minimum of 25,000 cards distributed at once), are handled by someone other then the card issuing company. The companies geared for this project are:

1. Plastic Manufacturing Companies
2. Plastic Card Mailing Companies
3. Mailing Houses (coordinating all parts of the mailing)

Key Requirements:

1. Manufacture/Supply Plastic
2. Emboss/Encode in-house
3. Mechanical Match
4. Multiple Card Packages (2 and up)
5. Ability to verify all cards regardless of hologram, topping, contrast
6. Price that is within the "industry standards" regardless of 1 or 2 card packaging

Fulfillment:

The major factors in determining how a company handles card fulfillment are:

1. Volume Capability
2. Industry Standard
3. Nature of Application (Secure - nonsecure)

Key Requirements:

1. Electronic Transmission Capabilities
2. 24 hour turnaround after receipt of data to mail on a daily basis
3. Pin Encryption capability (ATM Cards, Debit Cards)
4. Daily Fulfillment of up to 5,000 cards per customer
5. Mechanical Match for Bankcards
6. Mechanical Match not a requirement for non secure cards
7. Price that is within the "industry standards" regardless of 1 or 2 card packaging

C. Competitor / Competitive Analysis

1. Rank by Strength

0 - 10.....10 = Excellent
Strengths in Order of Important

	Exper.	Quality	Price	Sales Coverage	Mass Issue	Fulfill.	Aux. Serv.	Cd. Manu.	TOTAL
FDR	10	8	10	7	8	10	10	0	63
Malco	10	10	7	5	6	7	6	10	61
DataCard	10	8	6	6	5	6	9	10	60
NBS	8	7	10	6	6	8	7	8	60
Kirk	7	8	6	4	2	5	4	8	44
MOORE	4	8	5	10	10	5	2	0	44
Faraday	7	8	8	4	2	8	5	0	42

2. Rank by Market Penetration

0 - 10.....10 = Excellent
Markets in Order of Potential

	Retail	Financial	Insurance	Oil	Telecom	TOTAL
FDR	6	10	2	4	10	32
Malco	8	9	7	4	2	30
Data Card	8	8	5	6	3	30
NBS	6	7	3	7	5	27
Kirk	7	5	4	7	0	23
Faraday	6	3	6	4	3	22
MOORE	2	1	2	1	2	8

*Leisure & Association Information - Not Available

3. Market Penetration by Area

1 = Best / 6 = Worst

	East	Midwest	West	South
FDR	3	1	2	1
Malco	1	5	4	3
Data Card	5	2	3	2
NBS	2	7	6	4
Kirk Plastics	7	3	1	7
Faraday	4	6	5	6

4. Final Ranking

Listed below is a recap of how each Card Company is viewed in the industry. The companies are listed by the company with the best competitve edge first (FDR) and the worst last. Only the companies recognized as the leaders in the card industry are listed. There are other companies offering mailing services, but the ones here have the greatest market share.

Company / Location	Forte	Strengths	Weaknesses
FDR Omaha, NE	Experience	Focus Penetration Large Capacity Price Visibility Many Services	No Card Manu. Not Proprietary
Malco Plastics Garrison, MD Montrose, CA	Plastics	Quality Experience Visibility	Lack Personal Cov. 90% Cd. Manu. Large Issue On Selling Block
Data Card Minneapolis, MN Buena Park, CA	Equip. Manu. Plastics	Industry Leader Quality Coverage Highly Visable Cus. & Competitor	Cd. Mailing 3rd Prior. Not Aggressive
NBS So. Plainsfield, NJ	Compete DC	Full Service Price Well Positioned	Financial Trouble Coverage
Kirk Plastics Los Angeles, CA	Plastics	Good Reputation Quality	Small Coverage Large Issue
Faraday National Herndon, VI	Fulfillment	Good Service Quality	Small No Cd. Manu. Large Issue

III. Plastic Card Program Review

A.Product Mix / Sales History

Market Key:

RCC..... Retail Credit Card
ATM..... Automatic Teller Machine Card
HCC..... Health Coverage Card
AMC..... Association Membership Card
TCC..... Telephone Calling Card
OCC.....Oil Credit Card
LMC..... Leisure Membership Card
Misc..... (Miscellaneous)

Service Key:

Matched Mailer - One Mailing..... M
Matched Mailer - Monthly Mailings..... MM
Fulfillment - One Mailing..... F
Fulfillment - Daily..... FD
Fulfillment - Weekly..... FW
Fulfillment Monthly..... FM

1. Pre Equipment

1985

Customer	Market Key	Service
Pranges	RCC	M
SNET	TCC	M
First Farmers	ATM	M
Co. of Cuyahoga	Misc.	M

1986

American Philat.	AMC	M	5	55,000	16,000.
Tablulating Syst.	AMC	M	5	99,700	32,500.
Winkelmans	RCC	M	6	239,000	90,600.
Carlson Mrktg.	LMC	M	7	177,300	28,000.
Total				**571,000**	**$ 167,100.**

2. Post Equipment

1987

Customer	Mrkt. Key	Service	Quantity	Value $ (000)	No. Orders
Southwest. Bell	TCC	M	1,908,600	559,320	1
January			**1,908,600**	**$ 559,320**	**1**
February			**ø**	**ø**	**ø**
March			**ø**	**ø**	**ø**
April			**ø**	**ø**	**ø**
May			**ø**	**ø**	**ø**
Southwest. Bell	TCC	MM	77,500	33,300	1
Elangy Corp.	RCC	FM	11,000	7,500	1
New Jersey EA	AMC	M	166,000	54,400	2
Empire Cloth.	RCC	M	8,300	16,000	2
June			**262,800**	**$111,200**	**6**
Southwest. Bell	TCC	MM	60,000	26,000	1
Elangy Corp.	RCC	FM	16,000	11,000	1
Piser Furniture	RCC	M	110,000	24,500	2
July			**186,000**	**$ 61,500**	**4**
Southwest. Bell	TCC	MM	50,000	19,000	1
Snyder Inc.	RCC	M	156,000	45,000	2
Michaels Co.	RCC	M	42,000	19,600	3
Lord & Taylor	RCC	F	30,000	5,500	1
GTE Mobilnet	TCC	F	5,000	7,600	1
August			**283,000**	**$ 96,700**	**8**

Customer	Mrkt. Key	Service	Quantity	Value $ (000)	No. Orders
Southwest. Bell	TCC	MM	78,500	33,000	1
Elangy Corp.	RCC	FM	5,000	3,300	1
September			**83,500**	**$ 36,300**	**2**
Southwest. Bell	TCC	MM	55,000	23,000	1
Savings & Trust	ATM	M	18,000	12,000	1
Elangy Corp.	RCC	FM	5,000	3,300	1
October			**78,000**	**$ 38,300**	**3**
Southwest. Bell	TCC	MM	218,000	95,000	1
Lazarus	RCC	M	31,800	16,000	2
BC/BS of ME	HCC	M	23,000	11,900	1
U.S. Air	LMC	M	1,100,000	216,100	2
ODell Roper	AMC	M	761,200	212,100	17
State of Texas	AMC	FM	2,000	1,200	1
November			**2,136,000**	**$ 552,300**	**24**
Southwest. Bell	TCC	MM	49,000	20,000	1
Farm Family	HCC	F	62,000	8,300	1
Elangy Corp.	RCC	FM	10,000	6,500	2
BC/BS of CT	HCC	M	50,000	27,000	1
Empire Clothing	RCC	FM	1,500	3,000	2
December			**172,500**	**$ 64,800**	**7**
Total			**5,110,400**	**$ 1,520,420.**	**55**

Percentage of Package Volume / Dollar Volume by Month

Month	Package Volume	Dollar Volume
January	37%	37%
February	ø	ø
March	ø	ø
April	ø	ø
May	ø	ø
June	5%	7%
July	4%	4%
August	6%	6%
September	2%	2%
October	2%	2%
November	41%	38%
December	3%	4%

1988

Customer	Mrkt. Key	Service	Quantity	Value $ (000)	No. Orders
Southwest. Bell	TCC	MM	49,000	20,600	1
BC/BS of MN	HCC	F	17,000	5,100	1
Elangy Corp.	RCC	FM	2,500	1,700	1
U.S. Air	LMC	M	1,022,700	235,700	3
Canal Refining	OCC	F	15,000	9,000	1
January			**1,106,200**	**$ 272,100**	**7**
Southwest. Bell	TCC	MM	65,000	27,000	1
Elangy Corp.	RCC	FM	2,000	1,300	1
Empire Clothing	RCC	FM	1,000	1,600	1
Canal Refining	OCC	F	15,000	9,000	1
Texas State	AMC	FM	2,300	1,200	1
February			**85,300**	**$ 40,100**	**5**
Southwest. Bell	TCC	MM	63,000	26,500	1
Elangy Corp.	RCC	FM	3,100	2,100	1
Empire Clothing	RCC	FM	37	113	1
Lowes	RCC	M	1,000,000	235,100	3
Beall Bros.	RCC	FW	13,100	6,400	5
Texas State	AMC	FM	1,650	840	1
March			**1,080,887**	**$ 271,053**	**12**
Southwest. Bell	TCC	MM	54,000	22,500	1
Elangy Corp.	RCC	FM	3,500	2,300	1
Empire Clothing	RCC	FM	700	1,200	1
Beall Bros.	RCC	FW	7,000	3,300	4
Texas State	AMC	FM	1,850	1,000	1
April			**67,050**	**$ 30,300**	**8**
Southwest. Bell	TCC	MM	78,500	32,900	1
Elangy Corp.	RCC	FM	3,600	2,400	1
Empire Clothing	RCC	FM	800	1,300	1
Texas State	AMC	FM	4,000	2,300	2
Nat'l Bank Comm.	ATM	F	5,000	52	1
Farm Family	HCC	F	200	200	1
First Federal S&L	ATM	M	55,000	32,000	1
John Hancock	HCC	M	104,000	52,000	3
Dollar Savings	ATM	M	50,000	18,000	1
U.S. National	ATM	F	15,000	13,300	1
Coastal Corp.	OCC	M	92,000	53,100	1
BC/BS AZ	HCC	F	67,000	39,000	3
May			**475,164**	**$ 245,454**	**17**

Current Contracts / Commitments

Balance of 1988

Customer	Mrkt. Key	Service	Quantity Est.	Value $ (000)Est.
Alliance Fin.	RCC	MM	250,000	
Standard Fed.	ATM	M		
"	ATM	FW		
Mech. & Farmer	ATM	M		
"	ATM	FW		
First Federal	ATM	M		
"	ATM	FW		
PRN (BC/BS)	HCC	FD	1,200,000	450,000
BC/BS of AZ	HCC	F	200,000	
U.S. Air	LMC	M	1,000,000	250,000
Days Inn	LMC	FW		
Federal Ex.	Misc.	FW		

3. Comparision by Year and Market

a. No. of Orders

Market	(Pre Equipment) 1985	1986	(.....Post Equipment.....) 1987 (to May)	1987 (total)	1988 (to May)	1988 (projected)
RCC	ø	1	ø	22	21	
ATM	1	ø	ø	1	4	
HCC	ø	ø	ø	3	8	
AMC	ø	2	ø	20	5	
TCC	1	ø	1	9	5	
OCC	ø	ø	ø	ø	3	
LMC	ø	1	ø	2	3	
Mics.	1	ø	ø	ø	ø	
Total	**3**	**4**	**1**	**57**	**49**	

b. Order Quantity

Market	(Pre Equipment) 1985	1986	(.....Post Equipment.....) 1987 (to May)	1987 (total)	1988 (to May)	1988 (projected)
RCC	?	239M	ø	433M	1038M	
ATM	?	ø	ø	18M	125M	
HCC	ø	ø	ø	135M	188M	
AMC	?	155M	ø	940M	10M	
TCC	?	ø	1908M	1914M	310M	
OCC	ø	ø	ø	ø	122M	
LMC	ø	177M	ø	1100M	1023M	
Misc.	ø	ø	ø	ø	ø	
Total	**?**	**571M**	**1908M**	**4539M**	**2816M**	

c. Order Value
($ = 000.)

Market	(Pre Equipment) 1985	1986	(.....Post Equipment.....) 1987 (to May)	1987 (total)	1988 (to May)	1988 (projected)
RCC	?	91M	ø	159M	259M	
ATM	?	ø	ø	12M	63M	
HCC	ø	ø	ø	47M	90M	
AMC	?	49M	ø	285M	4M	
TCC	?	ø	560M	623M	130M	
OCC	ø	ø	ø	ø	71M	
LMC	ø	28M	ø	216M	236M	
Mics.	ø	ø	ø	ø	ø	
Total Value		**$167M**	**$560M**	**$1342M**	**$853M**	

D. Recap / Percentage Increase (Pre vs. Post Equipment)

	Pre Equipment	Post Equipment	% Inc.
Time Frame	30 Months	17 Months	n/a
No. of Customers	8	28	350%
Number of Orders	8	104	1300%
Total Quantity	1700M	7926M	466%
Total $ Volume	$ 550M	$ 2201M	400%

B. Market Penetration

Key Markets	Est. Market Potential	Moore's $ Volume	Moore's Est. Market Share
Retail	$ 87,000,000	$ 159,000	.002%
Financial	$ 79,000,000	$ 12,000	.000%
Insurance	$ 24,000,000	$ 47,000	.002%
Associations	$ 10,000,000	$ 285,000	.03%
Oil	$ 22,000,000	ø	ø
Telecommunications	$ 18,000,000	$ 623,000	.034%
Leisure	$ 10,000,000	$ 216,000	.02%

Moore figures based on 1987 sales.

C. Strengths & Weaknesses

Below are the strengths and weaknesses of the IDS plastic card program prioritized in order of strength and order of weakness respectively.

Strengths:

1. Sales Coverage
2. Matched Mailer System
3. Other IDS Service
4. Forms Reputation
5. Forms Manufacturer
6. Postal Expertise

Weaknesses:

1. Lack of Experience
2. Small Quantity System
3. Lack of Manufacturing Industry Knowledge
4. Limited Card Verification
5. Lack of Electronic Transmission
6. Pricing Structure / 2 Card Matched Mailer
7. Not Visible in Marketplace
8. Not a Plastics Manufacturer

1. STRENGTHS

Sales Coverage

This Moore's major strength in pursuing this market. The plastic card system is a service and not just a product. IDS has the ability to offer the marketplace service that is unique in the card industry. Other than Moore, the largest industry sales coverage is enjoyed by Data Card and FDR. Both companies have approximately 25 sales representatives nationwide. The former is responsible for selling the entire product line which is equipment, plastics, and card mailing services; in that order of priority. FDR's sales force is segmented by service. Five reps. might be totally accountable for card mailing sales although their network is phenomenal.

The other major players might have 2 - 5 card representatives covering the entire United States. The IDS plastic card program allows Moore to have personal customer contact on a daily basis where most other companies may have to make a phone call or catch a plane in order to make the customer contact.

Matched Mailer System

The key to the success of the IDS plastic card program is the Matched Mailer system. The prioprietary system allows Moore flexibility and speed that is unmatched in the industry.

Flexibility:

The card companies in the industry offer 1 or 2 embossed / encoded card (s) inserted into a personalized (die cut) card carrier nested in a window envelope. Additional non-personalized brochures or letters are not a problem.

The Matched Mailer system allows 1 or 2 embossed / encoded card (s) inserted into a personalized card carrier nested in a personalized closed face envelope with the potential for 2 personalized parts (letters, terms,). In addition, 2 non-personalized brochures, or return envelopes can be inserted. With the exception of the embossing / encoding and the litho printing, all imaging, folding, inserting, matching, and sealing is done on-line with the Matched Mailer equipment.

In order for Moore's competitors to accomplish the above, they would need several time consuming steps without the mechanical quality control.

Speed:

Moore's method of mass card issuance is one of a 4 step process.

1) Order Plastics / Have Customer Supply Plastics
2) Litho Print Rolls / Litho Print Flats = All Litho printed material
3) Emboss / Encode Plastics
4) Matched Mailer Process = Image, Fold, Place, Match, Insert, Seal

The "other"companies in the industry use a 7 step process.

1) Print Plastics / Order Plastics / Have Customer Supply Plastics
2) Order Litho Components (card companies do not manufacture business forms)
3) Emboss / Encode Plastics
4) Print Card Carriers / Burst Carriers
5) Match / Insert Plastics to Carriers
6) Insert / Carriers / Other Non-personlized parts in Window Envelopes
7) Seal / Meter / Sort

The current maximum capacity of Thurmont's embossing / encoding is approximately 500,000 cards per week.

The speed of one Matched Mailer is approximately 400,000 - 700,000 packages per week depending on if it is a 2 card package or a 1 card package respectively. Thurmont has two Matched Mailer's with card capabilities.

FDR probably has the greatest capacity in the industry next to Moore. For matching FDR has about 6 Data Match machines with a throughput of about 2,000 matches per hour per machine and 2 Dynetic Machines each with a throughput of about 1,000 matches per hour. The other competitors don't even have the capacity that FDR does.

The real advantage for the customer, is after receipt of the customer's tape, Moore has the ability to get out a large number of cards in a totally in-line verifying process in the shortest amount of time in the industry. Ideal prospects for this benefit are:

1) Large Card Bases
2) Secure Card (Credit or Debit)
3) Small Window (Merger, Network Change, Industry Mandation)

Other IDS Services (Mailing Expertise, Response Analysis,)

The plastic card program is only a portion of Moore's IDS offering and there are several other services that can be offered to the card using industry. Many times another mailing is tied into the card mailing (i.e. terms and conditions, pin verification, card application) and Moore is in a position not only to offer the card portion, but to be a total source. Many applications also involve Response Analysis and this is especially true for the retail industry, (keying applications). Moore's ability to offer the total system is a real benefit to the customer as only one vendor needs to be utilized for the project.

Forms Reputation (being Moore)

Although Moore is not yet viewed in the card industry as a real player, they are definitely seen as a leader in the forms industry and this is an advantage for the IDS plastic card program. Forms customers know Moore and know their reputation. The industry knows that Moore is a solid company financially and people/wise and because of this, IDS will often get an opportunity for some projects that they might not normally if they did not have such a good reputation in the forms industry.

Forms Manufacturer = Quality

Moore has an advantage over the tractional card companies in that Moore is the largest manufacture of business forms. Moore has the control of the card carrier, and the other components of the card mailing package. Since Moore is viewed in the industry as a quality vendor, they have the quality control of the entire mailing package because they are also able to print the litho components of the package.

Other card companies are not business forms manufacturers and for this reason they have to subcontract these services. Quality / control of other components becomes a disadvantage for them.

Postal Expertise

Moore has the ability to give the customer the most current postal discounts available in the industry. Some large card companies have similar programs, but not all and so often this can be a real advantage for Moore.

2. WEAKNESSES

Lack of Experience

Moore has little experience in the plastic card market. IDS is competiting against companies that have been in the card business for several years offering many card services in addition to card mailing services, (i.e. card manufacture, transaction processing, credit authorization, pin encryption,).

Pricing Structure - 2 Card Matched Mailer

Moore's 2 card pricing structure is "unique" to the plastic card industry. The standard rule in the industry for 2 card pricing as opposed to 1 card pricing is to:

1. Double the plastics charge
2. Double the embossing/encoding charge

It would appear that we double everything. Our two card pricing must be evaluated.

Lack of Electronic Transmission

To be a player in the plastic card fulfillment business, one need's the ability to electronically transfer data on a **daily** or **weekly** basis. This need is not required with the Matched Mailer product as the quantity is usually too large and the time frame is not as time sensitive as with the fulfillment product. The information required for a card mailing generally does not exceed:

1. 2 - 4 lines of Embossing/Approx. 102 char.
2. Up to 3 tracks of Encoding/Approx. Max. 226 char.
3. 6 lines of variably printed data/Approx. 250 char.

Having the ability to electronically transfer data on a daily or weekly basis is critical both to the customer and the vendor. (The customer because of expense and convenience.) Once the system is set up it actually becomes more cost effective than sending tapes on a daily basis. Secondly, it is more convenient for the customer as they can transmit necessary information at a time that is easiest for them (i.e. after midnight). It is in the best interests of Moore to offer this capability because it is what the customer wants and secondly because once a system is in place it is very difficult for the customer to change vendors.

Limited Card Verification

Moore is the only company participating in the card mailing service where background color of the plastic card, tipping color, and presence of a hologram have a bearing on whether or not Moore can manufacture a plastic card mailing package. The major card manufacturers match the cards to the carriers using one of two methods:

1. Mechanical Match
2. Manual Match

Neither of these methods is contingent on the contrast configuration of the plastic card. Companies using a mechanical method of card verification either use Data Card equipment or utilize Dynetics Equipment.

Data Card

Data Card is the leader in the plastic card equipment processing market. They have several models of equipment which match the card to the carrier. Some of their equipment has the capability of embossing/encoding the card and then also variably printing the card carrier. When both processes are completed then the card is matched up to the printed carrier. The next record is not processed until the match has been made. (Equipment like the Data Card Model 4450 in Thurmont).

Other Data Card equipment has the capability to mate the equipment to the customer's line printer and so the carriers are printed as the cards are being embossed/encoded and then the equipment mechanically matches up the card and the carrier. Again, with the same principal as with the 4450, (the next record is not matched until the one before has been properly completed).

Dynetics

Dynetics only manufactures card m: :ching equipment and no embossing / encoding equipment. Computer printed continuous card carriers and embossed / encoded cards are loaded into the Dynetics machine in tape sequence. The Dynetic machine then reads the embossed OCR number and the encoded stripe (if the card is encoded), and matches it up to a computer printed bar code on the card carrier. After the proper match is acknowledged, the card is then inserted into the card carrier. The throughput is approximately 1,000 matches per hour.

The key is that the industry does not differentiate on color with the matching process. The only drawback with these methods of card matching is speed, and so the major card companies have several Dynetic or Data Card machines or they use the manual match.

Manual Match

This is where the embossed / encoded cards are hand matched and inserted into the computer printed card carrier. The embossed name on the card is matched to the name printed on the carrier. This method is quite popular with many major card companies. It gives them the flexibility to hire people "as needed" which may be more attractive then having equipment in-house that is under-utilized. They can then control their costs by hiring part-time help as needed to perform these peak tasks.

Again card color is no obstacle, however there is an error rate which could be as high as 6% depending on the quality control with this method.

Small Quantity Card Package

One of Moore's biggest weaknesses with their plastic card program is their small quantity fulfillment program. The Matched Mailer equipment was designed by Moore research for large quantity plastic card runs. The equipment really does not become competitive from a price standpoint until the quantity of the run reaches 100,000 packages. Flexibility of the system is a key and for this reason Moore is often times able to sell the Matched Mailer configuration when quantities only reach 25,000 packages. Moore had quite a problem handling anything smaller then 25,000 packages, and for this reason came up with a potential solution in the Data Card 4450.

The Data Card 4450 system is an on-line plastic card packaging system designed for low volume runs. The system utilizes a standard magnetic tape. Non-personalized plastics and card carriers are loaded into the 4450 machine. Window envelopes and one set of non-personalized components are also loaded in. The machine first encodes and then embosses the plastic and then line prints the card carrier. The personlized card is then inserted into the personzalized card carrier. The carrier is burst and then folded and inserted into the window envelope. The additional piece is inserted and the package comes off unsealed.

The 4450 system is a good system for low volume, less frequent jobs. (Several of our customers have 4450 systems). The system is ideal for 1,000 packages a week or 2,500 packages a month. It is not ideal for Moore's plastic card fulfillment program because of: 1) capacity, 2) packaging, and 3) price.

Capacity

Moore has one 4450 machine with a capacity of between 150 - 300 packages per hour depending on the amount of line printing on the card carrier, 300 if the carrier just has the name and address and 150 is the carrier has the need for 15 lines of variable information. The equipment standards are a 4% throughput slowdown for every line of variable information that is printed up to 15 lines or a 60 % maximum slowdown. The equipment was originally purchased with the idea of 400 packages per hour regardless of variable printing.

The maximum capacity Moore currently has with their 4450 method is 15,000 to 30,000 packages a week depending on the package specifications. One large contract in house requiring 25,000 packages a week (5,000 a day) has already exceeded Moore's limitations.

Pricing

The main problem with our card fulfillment pricing structure is that we are not utilizing the most cost effective way to manufacture the product. Moore is using equipment that is not the best fit for their needs. The current pricing structure is probably quite realistic considering the method of manufacture. But if Moore wants to be a serious contender in the plastic card arena then they must have a competitive card fulfillment program. Right now the current 4450 pricing structure is more expensive then the competition. (See Section IV. C Pricing for detail on this issue).

Packaging

The 4450 equipment has the capacity for one additional insert. More than one component can be manually inserted as the packages come off of the equipment unsealed -- however the upcharges estimated for this task make it cost prohibitive. The upcharges for manual inserting have been estimated at approximately .35¢ / package which is almost what the entire package should cost.

A key market for Moore's fufillment program should be ATM cards, however those customers usually require several (2 - 3) brochures be included with their ATM card mailing. (These brochures include term & conditions, bankcard program, location directory, etc.)

Recap / Fulfillment System

The bottom line with Moore's plastic card fulfillment program is that they are a **new** player in the plastic card arena competing with **experienced** players, trying to market a product / service which is viewed as a **commodity** with a price that is **not competitive.**

Lack of Product / Industry Knowledge (Manufacturing)

Moore has a real lack of industry knowledge as far as card manufacturing. This includes: industry standards, what our competitors are doing, what is available in the industry with equipment, software, etc. and basic industry knowledge. Unfortunately Moore's manufacturing group are relying on the IDS sales force, IDS customers and IDS marketing to educate them on **basic** industry knowledge. For example, when a plastic card order is received in the Thurmont manufacturing facility, the IDS rep. is responsible for educating the plant on operations as ordinary as how to encode the plastic card. Consequently, the few IDS reps that have sold a plastic card system are quite uncomfortable with Moore's manufacturing understanding of the card industry.

Handling of Plastics

On Moore supplied plastic card orders, Moore passes the cost of the plastics through to the customer with no mark up. On orders where the customer supplies the plastics, Moore adds no mark up to this portion of the order. The reason for these practices are because Moore's pricing was quite high and not competitive in the industry when these normal Moore policies were enforced. These methods have aided Moore in gaining more respectable pricing in the industry, however it has had a reverse affect on the Moore sales force.

If the plastics are Moore supplied (and this is the rule in over half of the orders), then the IDS rep. is still responsible for the normal order entry requirements for the card portion of the order, but with no compensation. No commision, no sales credit, and no achievement club credit. The plastic portion of the order is usually 20% of the value of the order. Moore cannot afford to compensate the representative on materials that they are not making money on -- however maybe another way of handling the total card system pricing is in order.

Not a Plastic Manufacturer

Since Moore does not manufacture plastic, this is a disadvantage for us in the marketplace. FDR and Faraday both have successful card service companies and neither of them manufacture plastic and so it is not imperative in the industry. However, not being the one who is intially involved with the plastic sometimes gives Moore a disadvantage since Moore is not the company initially thought of when a project is needed.

Not Visible in the Marketplace

Moore is not visible in the marketplace. Moore needs to be exhibiting at industry trade shows, and their people need to be actively involved in the industry.

B. Positioning/Product & Services

Moore should be positioning their plastic card program in 7 vertical markets. Four of these on a long term basis and 3 short term; reviewing the short term markets after one year.

4 Major Card Markets / Long Term

1. Retail
2. Financial
3. Insurance
4. Associations

Here is a more detailed look at these segments, card types, primary and secondary products and other services that may be required / desired of Moore's customers/ prospects. It should be noted here that timing is critical as to what product or service is desired from the customer (i.e. Matched Mailer or Fulfillment).

Timing is more critical with the card program as most customers have "card contracts" with vendors as opposed to an order by order concept. Chances are the sales rep will contact the account during a contract period. Factors that may change this situation are:

1) Contract has expired
2) Contract cancelled
3) Need to Re-issue Cards

If the IDS rep is not actively pursuing the fulfillment volume, then when a large issue is needed or the present fulfillment contract is renegotiated, Moore will probably not be considered a likely candidate.

RETAIL:

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Department	Credit Cd.	MMC	Fulfillment	1 - Pre Approved Application Mailing 2 - Application Data Capture (RA) 3 - Low user non-card promo Mailing 4 - New Store Announcement Mailing 5 - Electronic Transmission = Fulfillment 6- Creative Services on entire project 7 - Telemarketing 8- Credit Card Authorization 9- Monthly Statement
Grocery	Debit Cd.	*Fulfillment	*MMC	1 - Card Application Mailing 2 -Application Data Capture (RA) 3-DES Encryption 4-Electronic Transmission 5- Pin Mailing 6 - Creative Services on entire project 7 - Telemarketing

*Depends on distribution plan which is the primary product.

Retail Cont.

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Convenience				(same as grocery requirements)
Discount				(same as department requirements)

FINANCIAL:

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Banks / Credit Unions	ATM	*MMC	*Fulfillment	1- DES Encryption 2- Multiple Inserts 3- Electronic Transmission 4- Pin Mailing 5- RA if temporary card is issued 6 - Creative Services for entire project 7 - Telemarketing program 8 - Ad Agency Contact
	MC /Visa	MMC	Fulfillment	1-Electronic Transmission 2-Credit Card Authorization 3-Monthly Statement

*Depends on distribution plan which is the primary product. A bank that is changing networks or merging with another bank will first be interested in the MMC and then the fulfillment product. An established ATM program will have a need for Moore's fulfillment capabilities and then as a network change or other changes occur . . . Moore will be in an ideal position for the mass issue.

APPLICATIONS/SEGMENTS

INSURANCE:

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Insurance Co.	Health	***	***	1 - Electonic Transmission 2 - Multiple Inserts (Fulfillment) 3- Need for 5 lines of embossing 4- Abilitiy to handle multiple card pkgs. 5-More than 15 lines variable printing
HMO	Health	Fulfillment	MMC	
BC/BS	Health	***	***	1 - Electonic Transmission 2 - Multiple Inserts (Fulfillment) 3- Need for 5 lines of embossing 4- Abilitiy to handle multiple card pkgs.

***Depends on distribution plan which is the primary product.

ASSOCIATIONS:

Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Membership	MMC	Fulfillment	1- Creative Services 2- Membership Renewal Mailing 3- Data Capture Renewal (RA)

3 Major Card Markets / Short Term

TELEPHONE:

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
AT & T	Calling Cd.	Fulfillment	MMC	1 - Need way of manu. 10M / day
Bell Co.	Calling Cd.	*MMC	*Fulfillment	1-Electronic Transmission 2-Credit Card Validation 3-Creative Services 4- Ability to handle multiple card pkg. 5- Ad Agency Contact
Independents	Calling Cd.	*MMC	*Fulfillment	1-Electronic Transmission 2-Credit Card Validation 3-Creative Services 4- Ability to handle multiple card pkg. 5- Ad Agency Contact 6-Stock Product Design (Sm. Co.'s)

*Depends if the company has converted to a 30 mil card or not. If not then the Matched Mailer would be primary and the Fulfillment product would be secondary. If a change in indsutry card specifications changes, then the Matched Mailer would also be primary.

OIL:

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Oil	Credit	MMC	Fulfillment	1 - Application Data Capture (RA) 2 - Electronic Transmission 3- Creative Services on entire project 4- Credit Card Authorization 5- Monthly Statement 6 - Ad Agency Contact

Oil Cont.

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Oil	Debit	Fulfillment	MMC	1 - Card Application Mailing 2 -Application Data Capture (RA) 3- DES Encryption 4-Electronic Transmission 5- Pin Mailing 6 - Creative Services on entire project 7 - Telemarketing

Leisure:

Segment	Card Type	Primary Product	Secondary Product	Other Services Required / Desired
Airline	Frequent Flyer	*MMC	*Fulfillment	1-Survey Mailing 2-Data Capture Survey (RA) 3-Electronic Transmission 4-Monthly / Quarterly Statement 5-Data Capture Award Request (RA) 6-Award Redemption Mailing 7 - Creative Services for entire project 8 - Ad Agency Contact
Hotels	Membership	Fulfillment	MMC	1- Application Mailing 2- Temporary 10 mil Pkg. 3- Data Capture App. (RA) 4-Survey Mailing / 5-Data Capture Survey (RA) 6-Monthly / Quarterly Statement 7-Data Capture Award Request (RA) 8-Award Redemption Mailing 9-Creative Services for entire project 10 - Ad Agency Contact

*Depends on distribution plan which is the primary product.

C. Pricing / Fulfillment System

1. Price Comparison

The information contained here supports the pricing portion in Section III D (Small Quantity System) . The following contains a pricing comparison between Moore and two top card companies in the industry. regarding typical card fulfillment projects. The elements taken into consideration are:

Embossing
Encoding
Printing (variable printing of card carrier)
Card Affixing
Inserting (card carrier and additional components)
Meter & Mail

Pricing on cards, window envelopes, card carriers and other inserts will not be taken into consideration, but instead averaged for all companies for the following reasons.

Cards

Moore may have the customer supply cards or may supply them to the customer. Moore marketing and manufacturing have already located the best plastic manufacturers for the current program needs. The price levels are competitive in the industry as well as reasonable deliveries and quality. For this comparison the same price level will be given to each company.

Components / Window Envelopes, Card Carriers, Inserts

Since the majority of card service companies do not manufacture business forms, often they allow their customers to supply the paper components. Usually the card customers have an established relationship with a company such as Moore and so the customer feels that they are getting a better deal if they can supply the card carriers, brochure inserts, or window envelopes. For this comparison the same price level will be given for this portion to each company.

Quantities

Two quantities are used for this comparison and both are based on an annual contract.

1. 500 / Day

2. 3000 / Day

Pricing Based on $ per M

Embossing based on 3 lines

	Faraday		NBS		Moore	
	500	3000	500	3000	500	3000
Emboss	168.00	112.00	120.00	95.00		
Encode	47.00	46.00	32.00	30.00		
Print	66.00	38.00	19.00	19.00		
Proof, Affix, *Insert, Meter	94.00	84.00	70.00	66.00		
Sub Total	**375.00**	**280.00**	**292.00**	**242.00**		
Cards	60.00	60.00	60.00	60.00		
Carriers, Envelopes,	50.00	50.00	50.00	50.00		
Total	49¢ pkg.	39¢ pkg.	43¢pkg.	35¢ pkg.	98¢	60¢

*Additional Inserts are not an added burden for Moore's competitors. The additional charge per M for Faraday and NBS to insert additional pieces (i.e. terms & condidtions, brochures, coupons, card protectors,) is **$ 15.00 / M compared to $350.00 / M for Moore.**

The way the above companies manufacture their fulfillment product is reflected in the pricing level. Here is how each company handles this portion of the business.

	Faraday	NBS	Moore
Emboss / Encode	Data Card 1500	NBS 1800	Data Card 15000
Computer Print	Line Printer	Line Printer	Data Card 4450
Affix Cards	Manually	Dynetics	Data Card 4450
Fold / Insert Card Carrier + 1 Add'l Insert	Manually	Manually	Data Card 4450
Add'l Inserts	Manually	Manually	Not Available
Meter	Pitney Bowes	Pitney Bowes	Pitney Bowes?

The other big fulfillment house in the industry is FDR. Although actual fulfillment pricing information is not available directly from First Data Resources, (as was the case with Faraday and NBS), it is quite evident that FDR's pricing schedule is whichin the levels contained here with Moore's competitors. This information has unofficially verified several times with Moore's dedicated sales force.

First Data Resources Process:

Emboss / Encode	Data Card 15000 (several) Data Card 1500 (several)
Computer Print	Line Printers
Affix Cards	6 Data Match 2500 2 Dynetics Manual (when mechanical is depleted)
Insert	?
Meter	?

It is quite apparent in the industry that Moore's major fulfillment competitors are not using Data Card 4450 machines for this process. Main reasons being:

Too Slow
Too Costly

The Data Card 4450 equipment is designed for our card customers who want to do their small quantity (500 - 1000 / wk.) card fulfillment in house. One person can run the equipment and the customer can have the in-house control.

D. Distribution (Sales Issues)

The IDS plastic card program is being sold by all facets of the Moore sales force. The IDS dedicated reps, the core reps with help from the IDS specialists and the core reps alone are all responsible for selling the IDS plastic card system.

The plastic card services sale is more complex than the IDS mailing sale. With the plastic card system the application usually has all of the features of the IDS mailing (i.e. imaging, litho printing, size constraints) plus the addition of a 30 mil embossed / encoded card. Plastic card customers are used to working with salespeople that are knowledgeable about the plastic card industry and consequently they expect this type of service from Moore's representatives.

For these reasons it is in the best interests of the Moore plastic card services program to have the specific markets outlined in this plan pursued by the IDS dedicated sales force. This would exclude the IDS specialists / core reps from pursuing these markets.

The dedicated markets are:

1. Retail
2. Financial
3. Insurance
4. Associations
5. Telephone*
6. Oil
7. Leisure (Travel & Hospitality)

While it is the intent of the IDS plastic card services program to actively pursue the above outlined 7 card markets, it is not our intent to ignore other card opportunties that come along. Other card opportunties outside of these 7 may be pursued by other representatives other than the dedicated force. A decision regarding the total distribution of the entire IDS product line will be handled in a separate plan.

*Because of the complexity of this market -- the IDS card program may be pursued by a dedicated telecommunications representative. The final marketing recommendation for the way the card program handles this product will be contingent upon the IDS Telecommunications Marketing Plan.

E. Sales Promotion

Little or nothing has been done in this area regarding the IDS plastic card service program.

Trade Shows

The IDS plastic card services program was spotlighted in conjunction with Moore's Financial Program offering at the ABA Bankcard show in Orlando, Florida last October 1987. Other than that, the IDS card program has not been exhibited at any other trade show. Moore's key competitors with the plastic card services program exhibit regularly and are quite visable at the major shows.

The industry feeling is that although the shows don't always generate the best leads, your presence has to be shown or else you are not considered a serious player in the industry.

Some of the key card shows are:

- ABA Bankcard Show
- Retail Delivery Systems Show
- EFT Associations Convention

Promotion Brochures / Demo Packages

Currently there is a one page brochure insert highlighting the IDS card program. The insert covers both the 10 mil program and the 30 mil embossed card program; it is very "product-oriented", and contains no marketing focus. The insert is quite generic and has been used for "all" card applications whether it is an ATM card or an Association membership card.

There are two generic card demonstration packages. One Matched Mailer package and one fulfillment package. These packages are similar to the brochure insert in that they are very generic and have not been geared to a particular market.

Advertising

No advertising has been done specifically for the IDS plastic card program although some advertising Moore has done has included the IDS program, but these have not been targeted at specific users.

Moore's card competitors advertise quite frequently in periodicals such as:

- Card Management
- EFT Today
- Bankers Monthly
- United States Banker

V. Summary / Action Program

B. Strategy

1. **Increase the plastic card program % of volume to IDS volume from 3% to 8% by year end '89.**

   a. Exhibit IDS card services program at 4 shows within the next year that are geared to the Retail and Financial industries.

      1. ABA Bankcard Show
      2. Retail Delivery Systems Show -
      3. EFT Show -

   b. Conduct card training program for manufacturing by end of 3rd quarter.

      1. Program Direction
      2. Competition
      3. Product / System Facts

   c. Conduct card training program for IDS Managers by end of 4th quarter.

      1. Program Direction
      2. Competition
      3. Product / System Facts

   d. Allow IDS representatives to "legally" call on Ad Agencies immediately in order to penetrate Telecommunications, Retail, Financial, Oil, and Leisure Markets.

      1. Revise Response Graphics / IDS agreement

   e. Update Plastic Card materials to all IDS reps. by end of '88.

      1. Revise Plastic Card Product Facts
      2. Expand Marketing Booklet ⟶
         a. Competition
         b. Mini Scope of Program Plan

   f. Update Plastic Card Brochure by year end '88.

      1. Reflect more "market / service" image than current product image ⟶

Sales Force on the Retail Industry by end of the 3rd quarter.

Zero E-Procure for the Retail Market by end of the 3rd quarter.

release program in at least 2 tracks shows within the
geared to the retail market.

[illegible] program for the fulfillment program

[illegible]

ing to settle for less profit on fulfillment -- but regains
the Web. Matched Maker card system.

not proprietary to industry, and cannot reflect "normal

s that are market driven and profitable by 10 - 65.

ly to market feature small quantity versus volume that is cost

ment volume during the next year by 1500's

ng Structure - Realize non-uniformities.

- every Matched Maker card order by 3-68.

- Tooling
- Holograms
- Cards
- System must be capable of verifying:

release complete test validation system by 10 - 88

Matched Maker volume [illegible] the next year by

2. **Increase plastic card Matched Mailer volume during the next year by 125%.**

   a. Implement and release complete card verification system by 10 - 88.

      1. The verification system must be capable of verifiying:
         a. Cards with Holograms
         b. Non Tipped Cards
         c. Gold and Silver Topping

   b. Implement "V" Flap on every Matched Mailer card order by 9-88.

   c. Evaluate 2 Card Pricing Structure / Realize non-competitiveness.

3. **Increase plastic card fulfillment volume during the next year by 5500%**

   a. Find an effective way to manufacture small quantity card volume that is cost effective by 9 - 88.

   b. Establish pricing standards that are market driven and profitable by 10 - 88.

      1. Realize the program is not proprietary to industry and cannot reflect "normal IDS profit levels.

      2. Program must be willing to settle for less profit on fulfillment -- but realize potential profits attainable with Matched Mailer card system.

   c. Establish a electronic data transmission program for the fulfillment program by year end 88.

4. **Increase plastic card market share in the retail market by ? % within the next year.**

   a. Exhibit the plastic card services program in at least 2 trade shows within the next year that are geared to the retail market.

   b. Design a Plastic Card Brochure for the Retail Market by end of the 3rd quarter.

   c. Educate the IDS Sales Force on the Retail Industry by end of the 3rd quarter.

a plastic card market share [illegible] financial market by [illegible]
year.

[illegible] plastic card services program [illegible] at least 2 trade shows within the
year that are geared to the financial market.

[illegible] an ATM program for the Financial Market by year end '88
[illegible] concept after 1088 program).

[illegible]scover card program for the Financial Market

ATM demonstration package

[illegible]stablish full guidelines for 10S dedicated sales representative training.
Complete coverage specifications
Type Specifications
Electronic Data Transmission
[illegible]ta Algorithm

[illegible] the dedicated IC Cards with sales leads to include account size,
[illegible] location, and phone number (Reference Union ATM book)

[illegible] guidelines for a PIN mailing.

[illegible] program for network introduction

[illegible] a program for regional networks across U.S.

5. **Increase plastic card market share in the financial market by ?% within the next year.**

   a. Exhibit the plastic card services program in at least 2 trade shows within the next year that are geared to the financial market.

   b. Design an ATM program for the Financial Market by year end '88. (Pattern concept after 1099 program).

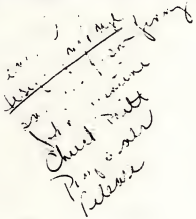
      1. Customer card brochure for the Financial Market

      2. 2 ATM demonstration packages

      3. Establish full guidelines for IDS dedicated sales rep. and manufacuring.
         a. Complete package specifications
         b. Tape Specifications
         c. Electronic Data Transmission
         d. Des Algorithm

      4. Furnish the dedicated IDS reps with sales leads to include account size, contact, location, and phone number. (Reference Nilson ATM book).

      5. Include guidelines for a PIN mailing.

      6. Present program to regional networks across U.S.

         a. Devise a program for network introduction